

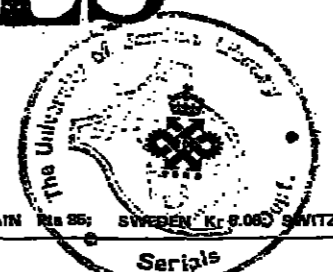
FINANCIAL TIMES

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NEWS SUMMARY

GENERAL
Poland releases 800 internees
 Poland's ruling military approved the lifting of some martial law restrictions and the release of 800 internees. Another 200 are to be allowed conditional release leaving 2,000 still interned. The nationwide curfew is to be lifted from May 2. Phone links between provinces are to be restored on May 10. Restrictions on foreign journalists are to be eased from the middle of next month. Back page

U.S. budget talks
 President Reagan met Tip O'Neill, House of Representatives Speaker in a "make or break meeting" to try to reach agreement on a new U.S. budget.

Playboy woman
 Christie Hefner, 30, daughter of Hugh Hefner the founder and chairman of Playboy Enterprises, took over as company president. Page 3



Botha meeting
 South African Prime Minister P. W. Botha will meet Zambian President Kenneth Kaunda tomorrow at the South African-Botswana border. Page 4

Beirut strike
 Christians, Moslems and Left-wingers in Beirut, Lebanon, held their first joint strike in seven years over the killing of a Conservative Sunni Moslem, by unidentified gunmen.

Refugees for U.S.
 More than 10,000 Kampuchean refugees in United Nations-run camps in Thailand will be resettled in the U.S. in the next few months.

Chinese 'rights'
 China's draft constitution, said to provide an expanded end of citizens' rights, would end the right to strike and allow police to read private mail.

Dail uproar
 Proceedings in the Dail, the Irish Republic's parliament, were twice suspended in uproar in a row over the acquittal last week of Premier Charles Haughey's election agent on charges under the Prevention of Electoral Abuse Act.

Ulster bus blasts
 Explosions ripped through 24 buses in a depot in Armagh, Northern Ireland, after a raid by an armed gang.

Rail protest plan
 Railmen who make train safety checks are threatening to strike during the Pope's visit to York on May 31 in protest at staff cuts.

Black economy
 Britain's black economy is probably about £15bn a year and results in a tax loss of about £4bn, according to the Inland Revenue. Page 10

Nurses talks call
 Royal College of Nursing's annual conference called for talks with the Government on a new formula for wage negotiations. Page 9

Contract probe
 Police will investigate allegations that confidential government documents were passed to salvage man Keith Jessop who won the contract to raise gold from the HMS Edinburgh wreck.

Briefly...
 Broadcaster Sir Robin Day has pneumonia and is being treated in a London hospital.
 Geoff Hunt, 35, former world squash champion is to retire.
 Rolling Stones will play at London's Wembley Stadium on June 25 and 26.

CHIEF PRICE CHANGES YESTERDAY
 (Prices in pence unless otherwise indicated)

RISERS		FALLS	
Avon Inds	107 + 5	Tube Inv	150 + 4
BT Inds	360 + 37	Whitman Reeve An	295 + 25
Beecham	256 + 6	Whesoe	94 + 8
Blue Circle	488 + 4	Huntm Pet	194 + 8
GEC	347 + 7		
GKN	174 + 4		
Hoskins & Horton	114 + 5	BSR	70 - 4
Horsall Machine	24 - 3	Jays (J.)	332 - 11
May and Hovell	68 - 3	Pearson (S.)	236 - 9
NatWest Bank	425 + 7	Rank Org	170 - 6
Plessey	387 - 9	Tozer Kenney	64 - 6
Smith (W. H.) A.	187 - 13	Utd Electronic	75 - 3
Tarmac	334 + 8	Walkin	253 - 15
Tomatin	36 - 7	Berkeley Ex	195 - 10
		IC Gas	195 - 10

SHIPS, AIRCRAFT EXCLUDED FROM 200-MILE RADIUS Falklands blockade from tomorrow

BRITAIN will impose a total blockade of the Falkland Islands at noon London time tomorrow. The Ministry of Defence announced yesterday that a "total exclusion zone" of 200 miles radius centred on the islands would be introduced. It is to apply to all ships and aircraft, civilian and military, "operating in support of the illegal occupation of the Falkland Islands by Argentine forces."

The Ministry warned that any ship or aircraft entering the zone without British permission would be regarded as hostile "and will be liable to be attacked by British forces." It added that the airport of Port Stanley would be closed from noon on Friday and that any aircraft on the ground in the Falkland Islands would be regarded as present in support of the illegal occupation and accordingly liable to attack.

This latest move in the Falklands dispute extends the naval blockade which Britain introduced on April 12. It is intended to bring added military pressure on Argentina which, along with Britain, is considering U.S. proposals to solve the crisis, but it does not necessarily mean that Britain plans an immediate invasion.

Argentina's initial reaction was to warn that military operations in the area of the Falklands were expected "within the next 24 to 48 hours."

The Buenos Aires military junta insisted that the Argentine Government "and people" maintained "their unbreakable fighting spirit and their faith in final victory."

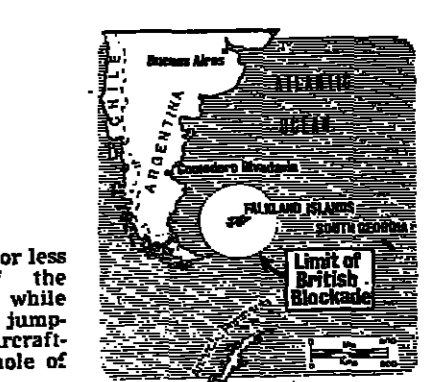
But the announcement of the long-expected full blockade had a dramatic effect on public opinion.

Argentine newspapers, which have tended to play down the seriousness of the threat from the task force, began yesterday

FALKLANDS WEATHER
 Winds increasing today to NW Force 7 (30 knots); 12 ft seas and 10 ft swells. Partly cloudy; occasional light rain. Temperatures low 40s. Unlimited visibility. The Falklands crisis, Page 4
 Foot UN appeal backed, Page 10
 Editorial Comment, Page 22
 Weighing invasion options, Page 23

to highlight the dangers of an invasion of the islands seized by Argentina nearly four weeks ago.

There was no immediate reaction from Buenos Aires, however, to the statement by the Defence Ministry in London yesterday that one Argentine prisoner had died in South



Final push on diplomatic efforts

MR THATCHER wants urgently to bring to a head diplomatic efforts to solve the Falklands crisis peacefully. Before military pressures are intensified with the imposition of the air and sea blockade tomorrow.

The British Government is considering the U.S. Administration's formal proposals. These apparently differ only marginally from the ideas brought back last weekend by Mr Francis Pym, the Foreign Secretary, after talks in Washington with Mr Alexander Haig, the U.S. Secretary of State.

The presentation of formal, as opposed to informal, proposals puts Britain on the spot to produce a response.

The Whitehall view is that there are still serious difficulties about the plan, but the UK is unlikely to make any formal response until Argentina replies.

British tactics are apparently to ensure the blame for any diplomatic breakdown falls on returning to the UN.

There is a lull at Westminster, though some MPs were relieved that the air blockade announcement appeared to imply that the Government was taking a step-by-step military approach, leaving room to manoeuvre.

Mr Thatcher is due to open today's emergency Commons debate, which will be concluded by Mr Pym. The Conservative Party is still united behind the Government's approach.

There is a sizeable group of backbenchers, however, possibly three dozen, who have warned the whips that they would not co-operate and might withdraw support if any significant concessions are made.

The Government has asked Israel not to supply more arms to Argentina, Mr Douglas Hurd, Foreign Office Minister of State, said in a Commons written reply.

The Labour Party's national executive committee yesterday

unanimously backed Mr Michael Foot's appeal to the Government to open discussions with the UN Secretary General over his request for both parties to refrain from escalation.

Dr David Owen, for the Social Democrats, criticised Mr Foot for climbing down and for losing his nerve. Social Democrat and Liberal leaders at Westminster are due to meet soon to consider their joint response to the crisis.

Andrew Whitley writes from Buenos Aires: Argentina's Presidential spokesman said yesterday that the military junta was still studying the latest U.S. peace proposal delivered to Sr Nicanor Costa Mendez, the Foreign Minister, in Washington on Monday. The official added that all diplomatic channels for negotiation remained open.

In Washington, the U.S. State Department said that neither Argentina nor Britain had returned to the UN.

Continued on Back Page

Georgia in a "serious incident" on Monday. A board of inquiry has been established by the British military authorities on the island.

The Argentine forces on the Falklands were described yesterday as at a state of maximum alert.

A news blackout has been imposed on the position of the Argentine fleet. In London the Ministry of Defence referred to its earlier statements that the Argentine fleet was strung out off the Argentine coast.

The announcement of the complete blockade suggests that the naval task force, which set out for the South Atlantic three weeks ago, is now within Falkland waters.

While the Defence Ministry refused yesterday to comment on the force's position, it seems probable that it is stationed over an area of perhaps 100 miles some 50-200 miles east of the Falklands.

This would put it more or less outside the range of the Argentine Air Force, while allowing the 20 Harrier jump-jets on the two British aircraft-carriers to patrol the whole of the blockaded area.

Britain's strategy seems to be to isolate the Argentine troops on the islands.

Other pressures mounting on the estimated 7,000 troops there include reported shortages of fuel for cooking and heating in increasingly cold weather, and shortage of water.

The island's only piped water supply is in Port Stanley, designed for 1,000 people.

Yesterday it was announced from Buenos Aires that the airlift of supplies to Port Stanley had been halted on Tuesday by bad weather.

But there is little hope in London that the Argentines will use the hours before Friday

noon to evacuate their troops.

Britain appears to want to step up the military pressure by stages avoiding if possible an outright attack on or invasion of Port Stanley, but leaving the way open for other moves.

It is thought that the task force might first attempt to recapture the sparsely occupied West Falkland, and then move by stages to East Falkland, where it would form a defensive ring outside Port Stanley.

The blockade presents a critical test for the Argentine junta. Apart from the initial invasion and subsequent re-in-

Continued on Back Page

British Rail review body to be set up

BY MAZEL DUFFY, TRANSPORT CORRESPONDENT

MR DAVID HOWELL, Transport Secretary, is about to announce the setting-up of an independent review body to examine the structure of British Rail.

A statement is likely in the next few days following the publication yesterday of BR's latest financial results. These show a loss of £37m for 1981 after government grants of £831m.

Sir Peter Parker, the chairman, has been pressing for the review since last summer, believing it will provide the basis on which BR will operate in the future.

He has termed the review "the most important long-term contribution that I shall make to the railways."

It will almost certainly be announced before Lord McCarthy's report into BR's dispute with the train drivers union, Aslef, over flexible rostering. This is expected towards the end of next week.

Mr Howell's decision reflects Government concern about the future of BR.

A key aim of the review will be to enable the Government to form a clearer view on issues such as BR investment. This fell last year to £208m—below the £400m ceiling set by the Government—because of the

Continued on Back Page
 British Rail results, Page 8

BRITISH RAILWAYS BOARD GROUP PROFIT AND LOSS ACCOUNT (£M)

Group	Year 1981		Year 1980	
	Consolidated Businesses	Non-consolidated Subsidiaries and Non-operational property	Consolidated Businesses	Non-consolidated Subsidiaries and Non-operational property
Railways operating results	25.2		(28.6)	
Freightliner	0.2		1.4	
Rail workshops			0.9	
Non-operational property		9.0		8.4
Sealink U.K. Ltd			(0.7)	6.4
British Rail Hovercraft Ltd (loss)		(1.4)		(2.9)
British Transport Hotels Ltd (loss)		(2.4)		(0.3)
Total operating surplus/(loss)	25.5	4.5	(26.3)	11.6
Other income	12.8	0.4	11.1	0.1
Corporate expenses	38.3	4.9	(15.2)	11.7
Surplus/(loss) before interest	33.4	4.9	(19.7)	11.7

Source: British Railways Board annual report

Italy delays import of BL Acclaim cars

BY PAUL CHEESRIGHT AND KENNETH GOODING

THE ITALIAN authorities have delayed the import of up to 4,000 BL cars, including 100 Triumph Acclaims, ostensibly because of tax irregularities but which became apparent early last week—is to demonstrate support for the Italian industry's argument that the Acclaim is a Japanese car.

BL makes the Acclaim under licence from Honda of Japan. The Italians say its British content is only 60 per cent, which is not enough to give it the designation "British" and hence free access to the Italian market.

Italy permits the import of 2,000 Japanese cars a year. If the Acclaim is classified as Japanese, it would effectively be frozen out of the market.

BL says the Acclaim is 70 per cent British "by ex-factory price."

It said last night that the 100 Acclaims were still being held, but the other cars had been released.

The British cars are shipped in at the northern Italian port of Ascona, but go through customs clearance near Milan. It is here several shipments have been held up.

The UK Government has been making strong representations to the Italian Government over the last week, both through the European Commission in Brussels and the embassy in Rome.

It has argued that the Italian use of tax technicalities breaches EEC regulations governing the free movement of goods within the Community.

It has sought to establish the legal basis for the Italian Government's tax claims on Leyland Italia. The level of tax payments due from the company is conditional on its relationship with BL in the UK—it is a wholly-owned subsidiary.

Mr Peter Rees, the Trade Minister, was assured last Monday by Sig Mario Fioret, the

Cars built by the Australian subsidiary of Mitsubishi of Japan are to go on sale in Britain. Lonsdale Car Company hopes to sell 6,000 next year, rising to 12,000 a year. Mr Michael Orr, chairman of Lonsdale, a new company, said the cars could be priced competitively against Ford in Britain. Page 5

Japanese, it would effectively be frozen out of the market.

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Pearson terms for Pearson Longman

BY JOHN MOORE, CITY CORRESPONDENT

S. PEARSON yesterday unveiled an offer worth more than £50m for the publicly held minority interest of 36.4 per cent in the group's separately quoted publishing subsidiary, Pearson Longman, whose interests include the Financial Times.

Pearson, whose activities range from banking to industrial and leisure interests, makes the offer to Pearson Longman shareholders through an issue of its own shares with an alternative offer of cash.

For every 15 shares which they hold in Pearson Longman, shareholders are offered 22 new shares in Pearson. On the London stockmarket yesterday shares of S. Pearson fell 9p to 236p which values the 36.4 per cent stake in Pearson Longman at £52m, or 346p a share. The cash alternative values each Pearson Longman share at 333p.

The bid for the 36.4 per cent of Pearson Longman, which has been accepted by the Pearson Longman Board, follows an earlier attempt in 1978. That move failed after a group of four institutional shareholders took steps to oppose the deal. S. Pearson was unable to win sufficient support.

Equity and Law Life Assurance, one of the institutions which led the attack the last time a bid was made, said yesterday that it was "quite pleased with the outcome. The terms in their present form are acceptable. And there is a cash alternative. The new offer is a considerable improvement on the last one."

Other institutional shareholders expressed satisfaction with the offer.

Results of both S. Pearson and Pearson Longman were announced yesterday. Profits before tax at S. Pearson rose from £47.7m to £59.5m for the year ending December 1981. Over the same period pre-tax profits of Pearson Longman rose 35 per cent to £21m.

Details, Page 28
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£ in New York

Spot	\$1.7885/7870	\$1.7785/7770
1 month	0.18/0.19 pm	0.13/0.17 pm
3 months	0.49/0.57 pm	0.48/0.47 pm
12 months	1.65/1.80 pm	1.40/1.50 pm

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EUROPEAN NEWS

Workers to consider new Renault bid to end Flins strike

By David Housego in Paris

NEGOTIATIONS from French motor industry unions are expected today to present their members with a new management offer to end the month-long dispute at Renault's plant at Flins outside Paris.

Strike action so far has resulted in the loss of 27,000 cars of the Renault 5 and 18 models.

There was no sign of an end, however, to the bitter dispute at Citroën's factory at Aulnay-sous-Bois, also outside Paris, where production has stopped. About 2,500 of the 18,000 Flins workforce have been involved in the intermittent strikes there over the past

month where higher pay and consolidated holiday for immigrant workers are major issues. Renault is resisting significant changes to a pay structure which came into force in February.

Concessions offered yesterday provide for some changes in the grading by which pay is assessed and new bonus payments.

At the Citroën plant, where there has been practically no dispute since its opening in 1974, strikers are said to be seeking pay increases amounting to FF400 (€80) a month and improved trade union rights.

French police seize 20 in big swoop on Eta

By Our Paris Staff

FRENCH POLICE have carried out their biggest swoop for more than three years against activists of Eta, the Spanish Basque separatist movement. Twenty alleged members of the movement's "politico-military" branch have been arrested this week.

Arms, including a rocket-launcher, were reported to have been seized yesterday.

The clampdown, which came amid growing concern about terrorism in France, coincided with bitter attacks by Spanish representatives at the Council of Europe assembly against French policy towards Eta activists based north of the border.

Since President Mitterrand's election a year ago, France has resisted pressure from Madrid to extradite alleged terrorists, but in compensation has tightened border controls and placed Spanish spies wanted by Madrid under surveillance.

Six Spaniards are affected by these measures, but two of these were said by the Interior Ministry yesterday to have "disappeared."

The people arrested this week include two French nationals. They are believed to be linked to the Spanish movement, and not to the French-based "Iparetarrak" nationalists, whom police believe were behind a machine-gun attack last month which resulted in the death of two French riot policemen.

Far-right group puts kidnap demands

By David White in Paris

A HITHERTO unheard-of extreme-right organisation yesterday sent a list of demands to the French Government in return for the release of M Jean-Ederm Hallier, the controversial writer who was reported missing on Monday evening.

In a message to the AFP news agency and various others, the "French Revolutionary Brigades" set a deadline of 7 pm on Sunday, without saying what they threatened to do if the demands were not met.

The messages were accompanied by a handwritten statement signed by M Hallier to the effect that he was being "correctly" treated.

The group made its political sympathies clear by demanding the dismissal of the four Communist ministers in the Government, cancellation of the recent Franco-Soviet agreement on supplies of Siberian gas, French aid for anti-Soviet resistance in Afghanistan and the resignation of M Gaston Defferre, the Interior Minister, whom it described as "a corrupt and incapable politician."

It said it had kidnapped M Hallier because of his "connivance" with the Government. "The French people will not suffer Kremlin-directed terrorism," it went on. "We will answer terror with terror."

The incident coincides with statements of determination by the French Government to clamp down on terrorism following a series of fatal incidents, including a bomb attack on an express train last month and the recent explosion in front of an Arab newspaper office in central Paris.

Brussels wants tougher steel crisis regime

By Giles Merritt in Brussels

EEC MEMBER states will be asked next week to approve a major reinforcement of the Community's prices and production regime for the crisis-hit steel industry.

Under a proposal agreed in Brussels yesterday by the European Commission, the regime would be extended for 18 months, taking it to the end of 1983, and would be strengthened by the inclusion of wire rod among the categories covered by mandatory controls.

The Commission's proposed measures are to be put to a meeting of EEC industry ministers on May 4. Although the West German Government has indicated that it would prefer an extension to the regime of only a year from mid-1982, Commission officials are confident the proposal will be accepted.

Viscount Etienne Davignon, the Industry Commissioner who is the architect of the steel regime combining voluntary and mandatory controls, is understood to be putting four main reasons in support of the proposals.

Projections show that demand for steel in the EEC will remain below 1981 levels throughout 1982, while in parallel analyses of the world market in steel suggest that not only will it remain weak but that EEC steel exports this year will also dip below 1981 levels.

Underlying these factors, there is Viscount Davignon's warning that the Community steel industry's structural over-capacity of some 45 per cent remains a serious threat to market stability.

The inclusion of wire rod in the steel categories covered by mandatory production quotas would, in fact, return it to the

Swedes lift growth forecast

By William Duffice in Stockholm

SWEDEN HAS passed the bottom of its economic trough, the Government believes. In its revised 1982-83 budget released yesterday, the forecast for growth in gross national product is raised from 1 per cent to 1.4 per cent this year. Growth in 1983 is put at 2.4 per cent.

Exports are expected to lead the recovery with volume growths of 5.7 per cent this year and 7.5 per cent next, according to the Budget Ministry. Industry's competitiveness has been improved by the devaluation of the krona last September and moderate increases in labour costs.

The Government's savings programme is also starting to take effect. The budget deficit estimate has been revised from SKr 62,000m (€7,900m) to SKr 75,700m (€7,300m) or 12 per cent of GNP.

The annual rate of growth in the volume of public spending averaged 6 per cent in the 1970s, was reduced to 4 per cent in the past two years and should be only slightly above 1 per cent in 1982 and 1983, the ministry estimates.

Sweden plans to borrow SKr 12bn to SKr 14bn on the international capital markets this year, according to the revised finance plan. The trade balance shows a surplus both this year and next while the current account deficit is forecast to shrink from SKr 18,700m last year to SKr 14,400m in 1982 and SKr 10,500m in 1983.

Industrial output should increase by 3 per cent this year after falling by 3.5 per cent in 1981.

Rupert Cornwell in Rome reports on the anniversary of an Italian hero Garibaldi—rebel at a nation's heart

"THERE HAVE been wiser politicians and greater generals than Garibaldi," wrote a leading Italian historian recently, "but none worthy of love, or more loved by the people." The accuracy of the judgment, and the measure of that affection, will become clear in the next few weeks, as the country starts in earnest its celebrations of the 100th anniversary of the death of a hero.

Italy is a country awash with anniversaries, whether local or national, military, political or religious. Streets have a disconcerting habit of being named after dates, while politicians have a tendency to a baffling jargon, whereby reference to a date alone is shorthand for a precise comparison.

Just how deeply these extend into the popular consciousness beyond the celebratory mass, the speech or the march past is another matter, but 1982 could be something different: a whole year dedicated to the man who more than any other symbolises the 19th-century reunification of Italy.

The high spot will be June 2, the anniversary of his death at



"Which of you claims to be the spiritual heir of Giuseppe Garibaldi?"

Capriera in Sardinia, but the festivities will run until December. Starting on May 5, a regatta will follow the course of the argosy of the 1,000 irregulars who arrived from Genoa in Marsala on May 11 1860 to begin the reconquest of Sicily from the Bourbons.

Opera houses are likely to be ringing with Verdi's "Nabucco" and other suitably patriotic music, while the myriad of towns, cities and villages with their plaques recording the passage of Garibaldi will arrange their own commemorations.

Giuseppe Garibaldi is an utterly Italian hero: extravagant and romantic, confusing and controversial, a natural resistance fighter, an idealist eternally doomed to competition and, inevitably, defeated by the greater, age-old cunning of official Italy. In keeping with his country, he was completely disregarded. For all his fame and popularity (especially outside Italy) he had remarkably little impact on its subsequent history.

In 1864, half a million people turned out to greet him on his arrival in London, to the discomfort of Queen Victoria. Two years before that he was defeated at the Battle of Aspromonte in Calabria by the forces of the Italian Crown. It had taken just that long for the conqueror of the Kingdom of the Two Sicilies to become a rebel, and an embarrassment to the political powers of the day. Now that is forgotten, Garibaldi is once more being resurrected as the nation of an independent, unified Italy. The collections of Garibaldi souvenirs are being dusted off in town halls with the honours afforded to the relics of a saint. Sentiment obviously plays a part, but the occasion has taken on national and political overtones exclusively related to Italy in the late 20th century.

Exit the national tourist authority, quite deliberately sees the Garibaldi celebrations as setting the seal on the astonishing change in the world's perception of Italy. A few years ago it all was summed up by Dor Spieser's famous cover of a Walther PPK

nestling in a bowl of spaghetti. Today everyone is bullish about Italy. Bankers no longer worry about the Italian risk: a U.S. general, General Dozier, talks of Italy as its most reliable European ally. Terrorism seems to be devoted to a cover story to Italian fashion designer Giorgio Armani, with the drooping title of "Giorgio's Gorgeous Clothes."

It may easily be that the present optimism is as overdue as the proclaimed goal of both Socialists and Republicans too: And what better symbol than that strange figure, freedom fighter, farmer and appalling poet, whose poncho jacket and handsome looks captured the hearts of a generation?

Pope expected to call off Poland visit

By Rupert Cornwell in Rome

POPE JOHN PAUL'S plan to visit his native Poland this summer will almost certainly be postponed because of the continuing military clampdown there, Mgr Josef Glomp, the Polish Primate indicated here yesterday.

The August visit was to have marked the 600th anniversary of the sanctuary of Jasna Gora. The Pope is anxious to return to Poland to show his support for the people, but seems to have decided against this, fearing that his presence could give a tacit blessing to the situation which he has frequently criticised.

Meanwhile the Vatican has made clear that nothing has been decided yet about a possible postponement of the Pope's visit to Britain, scheduled for May 28. However, it is generally accepted here that should hostilities between Britain and Argentina still be in progress, it would be impossible for the journey to go ahead.

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- Lehman Brothers Kuhn Loeb International, Inc.
- Manufacturers Hanover Limited
- Merrill Lynch International & Co.
- Samuel Montagu & Co. Limited
- National Bank of Abu Dhabi
- Nomura International Limited
- Sal. Oppenheim Jr. & Co.
- N.M. Rothschild & Sons Limited
- Schüder, Münchmeyer, Hergatz & Co.
- Société Générale
- Swiss Bank Corporation International Limited
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- M.M. Warburg-Brinckmann, Wirtz & Co.

- Morgan Stanley International
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- Azura International Limited
- Atlantic Capital Corporation
- Banca del Gottardo
- Bank Gutzwiler, Kurz, Rungger (Overseas) Limited
- Banque Bruxelles Lambert S.A.
- Banque Indosuez
- Banque de Neufchâtel, Schläpfer, Mallet
- Banque Paribas International Limited
- Bayerische Landesbank Girozentrale
- Burns Fry Limited
- Chicope International Bank Limited
- Credit Lyonnais
- Dahwa Europe Limited
- DG Bank
- Deutsche Genossenschaftsbank
- European Banking Company Limited
- Geanshield Incorporated
- Handelsbank N.W. (Overseas) Limited
- Kidder, Peabody International Limited
- Kreditbank S.A. Luxembourg-Genève
- Lazard Frères et Cie
- Lloyds Bank International Limited
- Merck, Finck & Co.
- Midland Doherty Limited
- Morgan Guaranty Ltd
- The Nikko Securities Co., (Europe) Ltd.
- Den Norske Creditbank
- Richardson Securities of Canada (UK) Limited
- J. Henry Schroder Wegg & Co. Limited
- Smith Barney, Harris Upham & Co. Incorporated
- Swanika Handelsbanken
- Union Bank of Switzerland (Securities) Limited
- J. Vontobel & Co.
- Yamaichi International (Europe) Limited

General Mining Union Corporation Group

COAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 31 MARCH 1982

(Both companies are incorporated in the Republic of South Africa) (Unaudited group results)

	Quarter ended		Comparative quarter previous year to	
	31.3.82	31.12.81	31.3.81	31.3.82
Tons sold ('000)	7,426	7,409	6,595	22,489
GROUP INCOME R('000)				
Net income from mining and allied activities	29,981	24,500	15,815	77,141
Add: Financing and sundries	516	110	1,401	2,404
Deduct: Amortisation of mining assets	30,497	24,610	17,216	79,545
	1,439	1,436	819	4,308
Deduct: Normal taxation	29,058	23,174	16,397	75,237
Deferred taxation	3,872	2,917	2,914	10,062
Outside shareholders' interest	9,553	7,789	4,316	24,698
Preference dividend provision	1,180	1,375	1,192	4,064
	1,498	1,498	1,498	4,494
NET GROUP INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	12,955	9,595	6,477	31,917
CAPITAL EXPENDITURE	18,850	32,615	15,525	66,032

Earnings per share for nine months: 60 cents (9 months to 31 March 1981: 37 cents).

Notes:
1. As indicated in the annual report and previous quarterly report the group has changed its accounting policy with effect from 1 July 1981 by the introduction of amortisation of mining assets on a sinking fund basis and the consequential provision for deferred taxation against income. The comparative figures of the quarter ended 31 March 1981 and the earnings per share for nine months ended 31 March 1981 have been restated to include the new accounting policy.
2. The provision for taxation for the previous half year has been adjusted as a result of the new company tax rates.

On behalf of the Board
S. P. ELLIS
T. L. DE BEER } Directors

THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED

	Quarter ended		Comparative quarter previous year to	
	31.3.82	31.12.81	31.3.81	31.3.82
Tons sold ('000)	1,882	1,953	1,427	5,926
INCOME R('000)				
Net income from mining and allied activities	5,479	4,750	3,800	14,449
Other income	430	(39)	309	637
Deduct: Amortisation of mining assets	5,909	4,711	4,109	15,086
	150	150	150	490
Deduct: Normal taxation	5,759	4,561	3,959	14,636
Deferred taxation	3	4	5	10
	2,638	2,103	1,657	6,752
NET INCOME AFTER TAXATION	3,098	2,454	2,297	7,674
CAPITAL EXPENDITURE	120	3,896	6,153	8,596

Earnings per share for nine months: 78 cents (9 months to 31 March 1981: 57 cents).

Notes:
1. As indicated in the annual report and previous quarterly report the group has changed its accounting policy with effect from 1 July 1981 by the introduction of amortisation of mining assets on a sinking fund basis and the consequential provision for deferred taxation against income. The comparative figures of the quarter ended 31 March 1981 and the earnings per share for nine months ended 31 March 1981 have been restated to include the new accounting policy.
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On behalf of the Board
D. GORDON
S. P. ELLIS } Directors

SECRETARIES:
GENERAL MINING UNION CORPORATION LIMITED
6 Holland Street
Johannesburg 2001
P.O. Box 6120, Marshalltown 2107
29 April 1982

London Office:
30 Ely Place
London EC1N 6JA

مركزنا للتطوير

AMERICAN NEWS

Taiwan arms issue will overshadow Bush's Peking talks

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE ISSUE OF U.S. arms supplies to Taiwan will overshadow talks which the U.S. Vice-President, Mr. George Bush, is to have in Peking early next month. Officials in Washington said that Mr. Bush is at present on a five-nation tour of Asia, would probably be in Peking between May 5 and 8.

Girl takes over at Playboy

By Paul Betts in New York

CHRISTIE HEFNER, 30-year-old daughter of Mr. Hugh Hefner, founder and chairman of Playboy Enterprises, took over yesterday as president of the Chicago-based leisure and entertainment group.

Jim Rusk in Ottawa reviews the effects of declining world oil prices Canada's energy policy in jeopardy

Financial package may save Alsands

A FINANCIAL package to improve returns in the early years of operation could save Canada's Alsands synthetic oil project by the deadline tomorrow, Robert Gibbons reports from Montreal.

The federal provincial package was presented to the private sector backers of the project, Shell Canada and Gulf Canada, after meetings in Toronto between Alberta's Premier, Mr. Peter Lougheed, and the Ontario Premier, Mr. William Davis.

About half the private sector backing for Alsands withdrew from the project two months ago because financial returns were insufficient.



Mr. Allan MacEachern: no substantial funds to the oil industry

world oil prices and the concomitant uncertainty about future price developments.

Canadian officials, however, are not yet prepared to concede defeat. While they admit they erred in not foreseeing the glut of oil in world markets that would develop in the months after their creation was unveiled, they are sticking to their price growth forecast.

Reality

In recent months their Albertan counterparts have parted company with this view. The Albertans have reduced their estimates of world oil prices substantially and believe their estimates are much closer to reality than the Federal forecast.

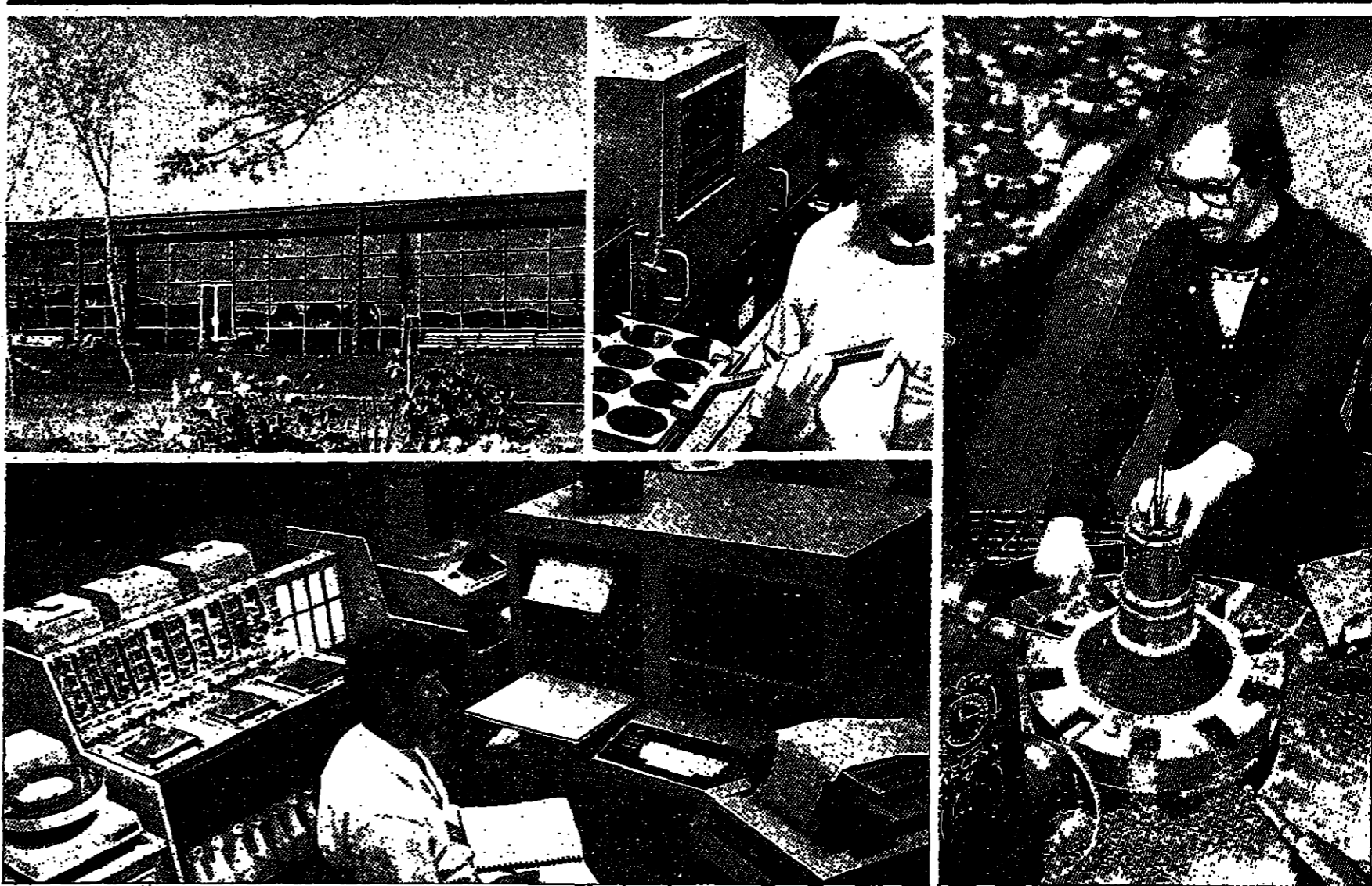
As a result of the revision, Alberta recently pumped an additional \$35.4bn (£2.5bn) into the industry which will flow in over a period stretching until the end of 1986.

Goldwater attacked for 'softness'

By Anatole Kaletsky in Washington

SENATOR Barry Goldwater, the erstwhile firebrand of the Right who ran for President in 1964, is coming under fire for his "political and moral softness."

IRELAND TODAY



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Damages for investment house after hiring raid

BY PAUL BETTS IN NEW YORK

MERRILL LYNCH, Pierce, Fenner and Smith, the largest of the Wall Street investment houses, has won another victory in its campaign to stop competing firms from luring away its brokers and clients.

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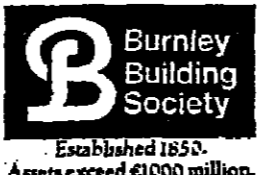
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OVERSEAS NEWS

Botswana talks tomorrow for Botha and Kaunda

BY J. D. F. JONES IN JOHANNESBURG

THE South African Prime Minister, Mr P. W. Botha, and President Kenneth Kaunda of Zambia are to hold talks in neighbouring Botswana tomorrow, it was officially confirmed here yesterday.

This meeting will be the first between a South African Premier and a leader of one of the "frontline states" since Mr John Vorster was attempting to implement his detente policy in 1975. But observers are by no means clear what the point of tomorrow's talks is supposed to be.

The proposal was thrown up by President Kaunda in a press interview in mid-March and was rapidly taken up by Mr Botha. It has been noted here that Mr Botha has recently been heavily involved in major domestic political struggles arising out of the defection of an important section of his ruling National Party, and will no doubt be happy to enhance his image as an international statesman.

President Kaunda, who has his own domestic and economic problems, will also relish a return to the wider diplomatic stage. He said last month that he wished to discuss "potentially explosive developments" with Mr Botha, adding that unless there was meaningful change soon in South Africa the "inevitable" explosions would make the French Revolution look like a children's Sunday picnic.

The most obvious topic for the agenda is the international negotiations over the future independence of Namibia (South West Africa), which are at present in the doldrums. President Kaunda is known to see himself as a possible mediator between Pretoria and the South West African Peoples' Organisation (Swapo).

Mr Botha will in return wish to sound out the possibility of reviving his earlier idea of a regional "constellation of states". This proposal has made no progress in the last two years, partly because the black states have set up their own economic grouping called SADC (Southern African Development Co-ordination Conference).

Several of the more radical SADC leaders, including Mr Robert Mugabe of Zimbabwe, do not agree with President Kaunda's willingness to talk with the South Africans.

South Africa is Zambia's second biggest supplier, after Britain. In 1980 Zambia imported Kwacha 139m (\$37m) of goods from the republic.

Mr Botha will tonight address an important political rally in the northern Transvaal town of Pietermaritzburg. He will then be well placed to make the short journey to southern Botswana, where he is expected to meet with Mr Botha.



Dr Kaunda... meeting

Black workers start to strike

By Bernard Simon in Johannesburg

MORE than 4,500 black workers were on strike in various parts of South Africa yesterday. The work stoppages are centred on metal and engineering plants on the east Rand, near Johannesburg.

Among the companies affected are Scaw Metals, an Anglo American subsidiary, and Haggie Rand, a large wire and rope manufacturer.

Haggie Rand dismissed 1,700 strikers at its factory in Germiston yesterday.

Workers at these companies have demanded immediate and substantial wage increases, refusing to wait for the outcome of the annual round of wage negotiations currently taking place through the steel and engineering industry's industrial council.

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Oil glut forces Kuwait to plan deficit

BY OUR FOREIGN STAFF

KUWAIT, which was recently reckoned by the World Bank to have the highest per capita income of any country, and which is committed to investing as much of its income as possible, is contemplating not only a 40 per cent cut in Government spending but also a deficit over its next financial year.

On the face of it, at least, there could be no more dramatic evidence of the drop in demand for oil, the recent glut and the reversal in the fortunes of the Organisation of Petroleum Exporting Countries.

At the weekend, the Kuwaiti Cabinet finally approved the budget for fiscal 1982-83, starting July 1 of 3.2bn Kuwaiti dinars (\$5.4bn), which is down 40 per cent from the one for the present year. Oil revenues have been estimated at KD 2.96bn, anticipated as providing 92.5 per cent of income, compared with KD 5.3bn in 1981-82.

A deficit of KD 312.6m is foreseen. For a state whose revenue, excluding investment income, amounted to nearly KD 3.2bn in 1979-80, double domestic expenditure of about KD 1.2bn, such a projection may scarcely seem credible.

In practice, Kuwait's situation is confusing and complex. The Kuwaiti Government is no

better qualified than anyone else to predict with any great accuracy demand for its oil. Revenue estimates appear to have been made with characteristic Kuwaiti caution on the basis of a production rate of rather less than the allocation given to it under the Opec sharing programme agreed last month of 800,000 barrels a day (b/d).

Actual production at present is believed to have fallen to about 775,000 b/d, but should pick up in the third quarter. If it were only 650,000 b/d over the course of 1982-83, however, the deficit could be around KD 2.78bn, according to Sheikh Ali Khalifa, Minister of Oil.

In the past the Kuwaiti Government's disbursements have consistently been less than its allocations. That has been acknowledged by Mr Abdul-Aziz Hussein, the Minister of State who is the Government's chief spokesman. He suggested that if the budget projection was fulfilled, expenditure could be the equivalent of \$315m, or 5 per cent higher than the actual outlay in prospect for the present financial year.

His statement may have been designed partly to reassure the business community, whose turnover and profits are directly

related to the rate of state spending. At the same time, the Government has taken the opportunity presented by the general apprehension about recession to increase retail prices for oil products by 100 per cent octane petrol has gone up from 41p a gallon to 29p. This is an unprecedented step for a conservative Arab oil producer and, on doubt, a grave shock to the gas-guzzling Kuwaiti consumer who, even more than his Texan equivalent has come to regard cheap fuel as a natural right.

The measure can be seen partly as a psychological reaction to the crisis facing Opec as a whole and will also yield an estimated KD 50m in revenue. Basically, therefore, the Government felt the moment to be right politically to charge a more realistic rate for what, it has been long telling consumers elsewhere, is an irreplaceable asset.

The Government's move to control the rapid increase in energy consumption is of marginal fiscal significance. Of fundamental importance and as vital, probably, is as fluctuations in demand for oil could be the variables under the general heading of "transfer payments,"

which account for KD 1.33bn, rather more than 40 per cent of the budget. The payments include aid, the 10 per cent of revenue required to be allocated to the Reserve Fund for Future Generations, and military imports.

There has been no suggestion of any intention that the Kuwaiti Fund for Arab Economic Development is to curb its lending activities. (Last year this fund disbursed over \$395m of the total \$1.46bn of aid given by the Arab, Islamic and Opec development funds.)

The biggest unknown must be the further demands Iraq may make in its war effort against Iran. By mid-February, Kuwait has contributed no less than \$2.8bn. The amount committed could now be double.

This help in itself could have consumed the greater part of the fiscal surplus which would otherwise have been earned in 1981-82. As it is, the projected deficit is to be met from the "General Reserve"—as opposed to the long-term Reserve Fund for Future Generations, established in 1976 and containing perhaps two-thirds of the state's accumulated reserve, generally estimated to be \$42bn.

The Government is evidently determined to adhere to its policy of ploughing back any



This is the fourth article in a series examining the effect of pressure on oil prices in selected producing countries.

investment income from this fund, whose capital is not to be touched this century.

Kuwait should be able to implement most of its development projects. Contracted projects will not be touched. Those related to "human development"—schools, hospitals, and education—will go ahead, according to Sheikh Ali Khalifa. Mr Abdul-Latif al Hamad, Minister of Finance, has said "some fine tuning in national priorities will be necessary."

The probable casualties in terms of deferment are the later phases of the waterfront scheme and a mobile telephone system for motorists, which would be classed in the "beautification" or enhancement category.

Development of Sabriya new town planned for north of Kuwait city—"the project of the 1980s"—may be delayed. Yet, with a recovery of oil demand and Iraq permitting, Kuwait should still record a small surplus.

India's trade deficit widens

By K. K. Sharma in New Delhi

INDIA'S trade deficit has worsened despite a substantial improvement in exports and. In the first ten months of 1981-82 (April to January), reached Rs 45bn (\$2.78bn), compared with Rs 40bn in the same period of the previous year.

This was disclosed yesterday by Mr Shivraj Patil, Minister of Commerce, who told a parliamentary committee the deficit would exceed the revised figure of Rs 55bn registered in 1980-81, which was nearly double the Rs 25bn in 1979-80.

This was despite the fact that in the first ten months of 1981-82, exports had increased by nearly 14 per cent to Rs 59bn, while imports had increased relatively slowly by 13 per cent to Rs 104bn in the same period.

The deficit was mainly due to higher costs of imports of items like crude oil, petroleum oils, fertilisers, vegetable oils, capital goods and chemicals. The deficit had widened significantly with Western Europe, the U.S. and Asia, particularly the Middle East.

Among the major markets, exports to the Soviet Union increased by 41 per cent to Rs 6.8bn in the period April-September, 1981, and to the U.S. by 31 per cent to Rs 4.3bn in the same period. Exports to Britain also increased, by about 52 per cent to Rs 2.4bn. However, the items that showed an increase—like tobacco, marine products, leather, gems and garments—were mainly traditional exports.

Businessmen here say that a spending spree which followed the rise of crude prices in 1980 has been halted. One businessman said all new projects had been frozen.

The foreign exchange crisis led the authorities to call back the Portuguese to put port machinery in working order. The former East German management was quietly dispensed with and disciplinary measures that would earlier have been condemned were introduced.

Decongestion of the port was also greatly helped by what the authorities call the rationalisation of imports. Reduced imports of basic goods, particularly food, also forced Angola to seek the help of the Portuguese in reviving agricultural production less than seven years after they were driven out.

Reuter

Palestinians shot by Israelis

By David Lennon in Tel Aviv

NINE PALESTINIANS were shot and wounded by Israeli troops yesterday during protests on the occupied West Bank and in the Gaza Strip, which have been racked by anti-Israel disturbances for more than a month.

An Israeli army patrol was attacked by some-throwing youths when it entered the Jebelya refugee camp in the Gaza Strip. Four of the soldiers were injured by the stones and four Palestinians wounded when the patrols opened fire on the demonstrators.

The anti-Israel protests also continued on the West Bank yesterday. During a violent clash between Israeli troops and Arab demonstrators in Nablus, five Palestinian youths were shot by the soldiers. Nine Palestinians have died and hundreds have been wounded in the clashes.

Angola struggles to cope with revenue fall

LUANDA—Angola is putting economic survival ahead of ideology as it struggles to overcome a drop in earnings from oil, its main export.

The hardship caused by a slump in revenue last year is so great that the Government is adopting a new approach to development with decisions that would not have been politically acceptable in the past.

Immediately after its independence from Portugal in 1975, Angola aligned itself with the Soviet bloc and shunned credit, believing debt would inevitably bring political dependence.

Once determined to pay cash against delivery, it is now, seeking long-term credits.

Lower oil prices sparked the change in attitude in Angola where economic projections were based on hopes of a higher return, with prices as high as \$36 a barrel in 1980. With the world price for crude now as low as \$27 a barrel, Angola faces a substantial budget deficit.

Maputo training pact

BY OUR FOREIGN STAFF

MOZAMBIQUE is to send military personnel for training in Portugal, the former colonial power, as part of an agreement signed in Maputo earlier this week.

The agreement, the first of its kind Mozambique has signed with a Western country, came at the end of six days of talks between a high-ranking Portuguese military delegation and Mozambican defence staff.

The Portuguese team was headed by Gen Manuel de Souza Menezes, who said before leaving for Lisbon that the groundwork for the accord

Maputo training pact

had been laid in talks between Mozambique's President Samora Machel and President Antonio Ramalho Eanes of Portugal last November.

The agreement covered training for Mozambican personnel in Portuguese military colleges and could mean Portuguese military instructors working in Mozambique in future.

The Mozambicans want to be able to counter the threat of the National Resistance Movement (RNM), a guerrilla group that Maputo says is armed and financed by South Africa.

It has been suggested that both the B.L. Aclam—built to designs provided by Honda—and cars built at the projected Nissans factory might be classified as "Japanese cars" by the Italian authorities and therefore subject to import restraints.

Nissan executives were hinting a month ago that if their company was successful in its bid to build cars in Taiwan it would probably withdraw from the UK project.

At present, however, Toyota appears to be the favourite for the Taiwan plant. A decision by the Taiwan Government on which of the two Japanese companies it favours could come at any moment.

Apart from its worries about the Falklands, Nissan is concerned by reports that Japanese cars built in Britain will be denied free entry to the Italian market.

Italy limits its imports of cars from Japan to 2,400 units a year under a long-standing agreement.

It has been suggested that both the B.L. Aclam—built to designs provided by Honda—and cars built at the projected Nissans factory might be classified as "Japanese cars" by the Italian authorities and therefore subject to import restraints.

London's stubborn aspiration to resolve the conflict by military force logically stems from the overall military course of the present Government, which came to power under the slogan of reviving the imperial grandeur of Britain," it added.

The imperial theme is much in vogue. It reflects a certain astonishment about the determination shown by Britain in this dispute and also fits in with the official view that Argentina "has fallen victim to outside attack" by an arrogant colonial power aided and abetted by a U.S. seeking to turn the crisis to its own ends.

There is no word in the Soviet analysis of the crisis about the "right of self-determination" of the inhabitants of the Falklands, although this usually looms large in Soviet championing of victims of colonial oppression.

Instead the Soviet Union appears to be using the crisis as a means of re-establishing its own credentials as a defender of the rights of the third world countries.

Such arguments have become familiar here in recent weeks in Government circles. But when uttered by a prominent personality in Argentina's opposition, they tend to underline the deep-rooted nationalist sentiment of a people who believe themselves to have been utterly misunderstood by Britain.

Argentina has made great efforts to improve their well-being.

Remember that as far back as 1960 the United Nations General Assembly approved Resolution 1514, which calls for an end to colonialism," he says—without any doubt as to who has been colonising in the South Atlantic.

As for human rights, he is sure that those of the Falkland Islands on April 2 was essentially a military one and that the Argentine people were not consulted. Even now he says the majority of the civilian population remains ignorant about the real nature of Government manoeuvring.

For the last three weeks Sr Esquivel has turned his campaign efforts towards trying to explain the Argentine case and avoiding all-out war. He has sent telegrams to Mrs Thatcher and the Queen and travelled to Washington to try to moderate tempers at the United Nations.

Reports that the Venezuelan state oil industry would withdraw part of its \$80n reserves from London banks were not officially confirmed.

Elsewhere, bank officials claimed that reports that British banks would not be invited to take part in a meeting this week to discuss a major syndicated loan were incorrect.

The approximately 5,000 British people who live in Venezuela have been feeling the strain of the Falklands crisis. A scheduled monthly meeting of the British-Venezuela Chamber of Commerce was cancelled last week when Venezuelan guest speakers refused to attend.

Britain will use minimal force—Hurd

By John Wyles in Strasbourg

THE PARLIAMENTARY Assembly of the 21-nation Council of Europe was told by a senior British Foreign Office Minister in Strasbourg yesterday that, if necessary, the UK would use "minimal force" to assert its rights over the Falkland Islands.

Amid multiplying reports of an imminent British invasion of the islands, Mr Douglas Hurd, Minister of State, Foreign Office, claimed that Britain's capture of South Georgia and its declaration yesterday of a total exclusion zone around the Falklands from tomorrow, was not intended to halt the search for a negotiated settlement.

"It was intended to show beyond any doubt that Britain cannot meekly acquiesce in the seizure of British territory and the colonisation, for that is the accurate word, of British subjects."

Asked whether Britain would have any other option but to use force if there was not settlement in the next few days, Mr Hurd replied: "The diplomatic and military side of our efforts have to march in harmony."

"But we have no intention of abandoning our rights of self-defence. We are exercising them with precision, to minimise casualties."

Mr Hurd arrived in Strasbourg yesterday as a last-minute deputy for Mr Francis Pym, the Foreign Secretary, who had been due to deliver a report as Chairman of the Council's Ministerial Committee.

Mr Pym had decided to stay in London, Mr Hurd said, because "the crisis and the diplomatic negotiations are in a particularly delicate stage. Events are moving quickly."

The Minister's speech to the Assembly was the fullest public account of Britain's aims over the Falklands yet delivered in continental Europe.

He laid particular stress on the Argentine assault on a "peaceable and democratic people" as one by a "powerful neighbour whose government is characterised by its contempt for democratic institutions and human rights."

His speech emphasised the failure of all efforts so far to produce a negotiated solution and it lacked any note of optimism about the continuing mediation efforts of Mr Alexander Haig, the U.S. Secretary of State.

Crisis puts further doubt on Nissan decision

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

NISSAN MOTOR Company's executive vice-president, Mr Masataka Okuma, has cited the Falklands crisis as the reason for a further delay in his company's decision on whether to go ahead with its UK motor manufacturing project.

Mr Okuma said the Falklands issue would make it difficult for Nissan to take up with the British Government one or two outstanding issues related to the project.

He was also reported as having said that the affair might damage the UK economy, but Nissan officials subsequently denied that any such statement had been made.

Mr Okuma visited London in January for what were to have been final negotiations with Britain on the terms under which the factory will be built. The negotiations apparently failed to produce the results Nissan had been hoping for and the company was left facing a delicately balanced decision on whether or not to go ahead.

Mr Okuma is believed to take a much more positive view of the Taiwan motor manufacturing project for which Nissan has submitted a proposal, but in which Toyota is also interested.

Nissan executives were hinting a month ago that if their company was successful in its bid to build cars in Taiwan it would probably withdraw from the UK project.

At present, however, Toyota appears to be the favourite for the Taiwan plant. A decision by the Taiwan Government on which of the two Japanese companies it favours could come at any moment.

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Instead the Soviet Union appears to be using the crisis as a means of re-establishing its own credentials as a defender of the rights of the third world countries.

Envoy of peace in Argentina

BY JIMMY BURNS IN BUENOS AIRES

PEACE IS not a word you hear often in Buenos Aires today. It has gone out of the window at army headquarters, been carefully controlled at the Foreign Ministry, and was banned on the assassinated Archbishop Romero unequivocally by an aggressive poked rally on Monday night.

To find it you have to go to the city's old quarter—where 150 years ago British troops were trapped by the local militia—and knock at the door of an inhospitable colonial building covered in dust and peeling posters.

Only a small sticker with the words "Service of Peace and Justice" reminds one that these squatters' quarters are the offices of the Argentine architect, sculpture and Nobel Peace Prize winner, Sr Adolfo Perez Esquivel.

In many ways Sr Esquivel is an easy caricature. He has an off-colour polo-neck sweater and carelessly brushed, longish hair. His Spartan room contains a statue of Gandhi, a photograph of Pope John Paul II and a framed tribute to the assassinated Archbishop Romero of El Salvador. Almost everything suggests the image of a Third World liberation priest.

A few months ago Sr Esquivel received a death threat against himself and his family, which forced him temporarily to leave the country. Before that, he was imprisoned for 18 months by the military regime on suspicion of having contact with the country's left-wing guerrilla movement at a time when he was seeking representation for the many Argentine families whose sons and daughters had been caught in the crossfire between 1975 and 1979.

He recognises that the decision to invade the Falkland Islands on April 2 was essentially a military one and that the Argentine people were not consulted. Even now he says the majority of the civilian population remains ignorant about the real nature of Government manoeuvring.

For the last three weeks Sr Esquivel has turned his campaign efforts towards trying to explain the Argentine case and avoiding all-out war. He has sent telegrams to Mrs Thatcher and the Queen and travelled to Washington to try to moderate tempers at the United Nations.

Remember that as far back as 1960 the United Nations General Assembly approved Resolution 1514, which calls for an end to colonialism," he says—without any doubt as to who has been colonising in the South Atlantic.

As for human rights, he is sure that those of the Falkland Islands on April 2 was essentially a military one and that the Argentine people were not consulted. Even now he says the majority of the civilian population remains ignorant about the real nature of Government manoeuvring.

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Elsewhere, bank officials claimed that reports that British banks would not be invited to take part in a meeting this week to discuss a major syndicated loan were incorrect.

The approximately 5,000 British people who live in Venezuela have been feeling the strain of the Falklands crisis. A scheduled monthly meeting of the British-Venezuela Chamber of Commerce was cancelled last week when Venezuelan guest speakers refused to attend.

Imperial jibe from Moscow

By Anthony Robinson in Moscow

THE SOVIET UNION has stepped up its criticism of Britain's role in the Falklands dispute with a tough article in the party newspaper Pravda accusing Britain of "pursuing an adventurous course of increasingly dangerous escalation."

The article, written by the paper's London correspondent, was the first critical assessment of developments since the re-occupation of South Georgia on Sunday.

"London's stubborn aspiration to resolve the conflict by military force logically stems from the overall military course of the present Government, which came to power under the slogan of reviving the imperial grandeur of Britain," it added.

The imperial theme is much in vogue. It reflects a certain astonishment about the determination shown by Britain in this dispute and also fits in with the official view that Argentina "has fallen victim to outside attack" by an arrogant colonial power aided and abetted by a U.S. seeking to turn the crisis to its own ends.

There is no word in the Soviet analysis of the crisis about the "right of self-determination" of the inhabitants of the Falklands, although this usually looms large in Soviet championing of victims of colonial oppression.

Instead the Soviet Union appears to be using the crisis as a means of re-establishing its own credentials as a defender of the rights of the third world countries.

Such arguments have become familiar here in recent weeks in Government circles. But when uttered by a prominent personality in Argentina's opposition, they tend to underline the deep-rooted nationalist sentiment of a people who believe themselves to have been utterly misunderstood by Britain.

Argentina has made great efforts to improve their well-being.

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Britain will use minimal force—Hurd

By John Wyles in Strasbourg

THE PARLIAMENTARY Assembly of the 21-nation Council of Europe was told by a senior British Foreign Office Minister in Strasbourg yesterday that, if necessary, the UK would use "minimal force" to assert its rights over the Falkland Islands.

Amid multiplying reports of an imminent British invasion of the islands, Mr Douglas Hurd, Minister of State, Foreign Office, claimed that Britain's capture of South Georgia and its declaration yesterday of a total exclusion zone around the Falklands from tomorrow, was not intended to halt the search for a negotiated settlement.

"It was intended to show beyond any doubt that Britain cannot meekly acquiesce in the seizure of British territory and the colonisation, for that is the accurate word, of British subjects."

Asked whether Britain would have any other option but to use force if there was not settlement in the next few days, Mr Hurd replied: "The diplomatic and military side of our efforts have to march in harmony."

"But we have no intention of abandoning our rights of self-defence. We are exercising them with precision, to minimise casualties."

Mr Hurd arrived in Strasbourg yesterday as a last-minute deputy for Mr Francis Pym, the Foreign Secretary, who had been due to deliver a report as Chairman of the Council's Ministerial Committee.

Mr Pym had decided to stay in London, Mr Hurd said, because "the crisis and the diplomatic negotiations are in a particularly delicate stage. Events are moving quickly."

The Minister's speech to the Assembly was the fullest public account of Britain's aims over the Falklands yet delivered in continental Europe.

He laid particular stress on the Argentine assault on a "peaceable and democratic people" as one by a "powerful neighbour whose government is characterised by its contempt for democratic institutions and human rights."

His speech emphasised the failure of all efforts so far to produce a negotiated solution and it lacked any note of optimism about the continuing mediation efforts of Mr Alexander Haig, the U.S. Secretary of State.

London's stubborn aspiration to resolve the conflict by military force logically stems from the overall military course of the present Government, which came to power under the slogan of reviving the imperial grandeur of Britain," it added.

The imperial theme is much in vogue. It reflects a certain astonishment about the determination shown by Britain in this dispute and also fits in with the official view that Argentina "has fallen victim to outside attack" by an arrogant colonial power aided and abetted by a U.S. seeking to turn the crisis to its own ends.

India's trade deficit widens

Poor countries 'run pharmaceutical deficit of \$4bn'

BY SUE CAMERON, CHEMICALS CORRESPONDENT

THE WORLD'S poor countries are running a pharmaceutical trading deficit of some \$4bn (£2.2bn) a year with the developed nations of the North, according to a report by the Office of Health Economics, the research arm of the Association of the British Pharmaceutical Industry.

The report — Medicines, Health and the Poor World — says the latest available figures show that in 1980 the world consumed \$80bn in medicines in terms of manufacturers' prices. The developing countries accounted for around 20 per cent of this.

Yet the poorer nations account for only some 10 per cent to 15 per cent of the world's medicine production. And even here, drug production in the developing countries is concentrated in Latin America and Asia which manufacture almost 75 per cent of their medicines domestically.

The report, published yesterday, says Western Europe, Japan and the U.S. account for around 60 per cent of the world's drug production while the developing countries account for roughly one-third of all medicine imports.

But the report says these statistics have sometimes been used misleadingly to "suggest that Western pharmaceutical houses are dependent on the less developed countries for their profits and general financial viability." The report uses data from the UK pharma-

ceutical industry to argue that such claims are "false."

It says that in 1980 total UK pharmaceutical production was £2.2bn, with some £750m of this being exported. Half of these exports went to European Community countries, 14 per cent to other industrialised nations and around one-third to developing countries. UK drug exports to developing countries, it says, represented only one-ninth of total British production. The report adds:

"It is of note that oil-producing countries, including those of the Middle East, were the main purchasers. Under 5 per cent by value of British exports of medicines went to low-income countries."

The Office of Health Economics says its data "suggest a very much more reassuring picture of pharmaceutical industry activity in the third world than is commonly presented."

But it goes on to admit that the picture is still not "an entirely acceptable one."

It was asked whether it is desirable that the world's poor majority pays in the order of \$4bn to the rich communities of the North... for its medicines," the report says.

"Similarly questions arise as to whether or not it is acceptable that people in the North can afford over \$70-worth of medicines per capita per annum whereas in the South consumption is \$5 or less per head."

Japanese 'should make cars in U.S.'

By Paul Chesworth, World Trade Editor

THE JAPANESE motor industry yesterday came under increased pressure to extend its manufacturing capability in the U.S. The industry must "put jobs where their sales are," Mr Douglas Fraser, president of the U.S. United Auto Workers, said in Tokyo.

To ward off protectionist legislation, the Japanese industry should "act in a more responsible manner," Mr Fraser told the American Chamber of Commerce.

There is "mounting momentum" in the U.S. Congress for local content legislation, Mr Fraser noted. Such legislation would require a percentage of car parts to be made in the U.S., relative to the amount of Japanese cars sold on the U.S. market.

A Bill to this effect has been introduced into the House of Representatives by Mr Richard Ottinger, a New York Democrat, and into the Senate by Mr Wendell Ford of Kentucky. Their proposal is one of about ten which would affect, if passed, the sale of Japanese cars in the U.S.

The idea of specifying a percentage of local content for imported cars has been a favoured theme of U.S. union leaders for some time.

In July last year Mr Lane Alexander, president of the American Federation of Labour and Congress of Industrial Organizations, advocated the same course.

"The U.S. needs to adopt such content laws for essential industries or it will become an assembler of foreign-made parts," he said.

So far, the response of the Reagan Administration to such specific measures has been frosty. Although last year it persuaded Japan voluntarily to restrain sales for three years, it has stated that this is not a precedent for further restriction.

Indeed, one focus of U.S. trade policy has been to seek the elimination of local content measures in other countries, classifying them as an impediment to investment and a non-tariff barrier.

"Our objective is to obtain a consensus (internationally) on rules to restrict the imposition of performance requirements," Mr William Brock, the U.S. Trade Representative has stated.

Administration officials in Washington contend that the current interest in local content measures for the car industry springs largely from Democrats actively involved in this year's congressional elections. Senator Ford, they noted, is chairman of the Democratic Senate Campaign Committee.

A local content bill is thought more likely to pass in the House than in the Senate, although it is admitted that the mood is volatile. Senator Ford's bill has been referred to the Commerce Committee where the chairman is Senator Bob Packwood, a Republican from Oregon.

He is described as a free trader with the power to kill the bill. But the idea behind the bill reflects widespread irritation in the Congress about Japanese trade policy. That irritation has also emerged in legislation designed to ensure reciprocal market access.

Britain to import Mitsubishi cars built in Australia

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

CARS BUILT by the Australian subsidiary of Mitsubishi of Japan are to be imported to Britain by a new company, the Lonsdale Car Company.

If the arrangement is successful it could lead to other importers of Japanese cars buying from Australia to overcome the problems created for them by the "voluntary" restrictions on vehicle shipments.

To comply with Australian regulations the cars have an 85 per cent local content, measured by manufacturing cost. In the circumstances it will be difficult for the UK industry to claim that "Japanese" cars are being brought in through the back door.

However, the UK Society of Motor Manufacturers and Traders said last night that, as it appeared Australian cars were to be brought into Britain in some volume, "we will be looking again to see whether it is fair for the UK to remain the soft market for cars from highly protected markets."

The Australian cars will attract a 10.6 per cent duty in Britain, whereas the duty on British cars shipped to Australia starts at 57 per cent. Also Australia restricts built-up car imports to 20 per cent of the total market.

Any car exports Mitsubishi makes from Australia will gain credits under the Government's

export incentive scheme and allow the company to import—mainly from Japan—duty-free cars and components.

Both Toyota and Nissan are among the manufacturers with Australian assembly plants—the others are Ford and General Motors.

Toyota's importer in Britain is an Inchcape Group subsidiary and it said last night it would be watching developments and might well follow Mitsubishi's lead.

However, Nissan's UK importer, Datsun (UK), maintained it had looked at the potential for importing Australian-built cars some time ago and decided it would not be economic.

Mr Michael Orr, chairman of Lonsdale, insisted, though, that the Australian cars could be priced competitively against Ford in Britain.

He said Lonsdale hoped to sell 6,000 of the Australian cars next year, starting in April.

Mr Orr is also chairman of the Colt Car Company.

But Mr Orr insisted that there is no financial involvement by Colt or Mitsubishi in Lonsdale. He would not reveal the names of the financial backers who will put up in the region of £500,000 starting capital.

Mr Orr said the new arrangement would benefit Colt dealers in Britain by giving some of them a second franchise (Colt had hoped to win the import concession for Hyundai cars from Korea but this went to another concern).

At the same time, the deal would provide increased volume for the Mitsubishi plant near Adelaide. Currently the plant has the capacity for around 50,000 a year. It imports electronic components and panels from Japan but produces its own engines.

The cars are closely related to the Mitsubishi Sigma range. Lonsdale will offer a range of ten with engines ranging from 1.6 litres to 2.6 litres.

Indian textile crisis deepens as strike goes on

BY ALAIN CASS, ASIA EDITOR

INDIA'S TEXTILE industry—the country's biggest foreign exchange earner—is facing its most serious crisis in a decade.

The strike called by Dr Data Samant, Bombay's maverick trade union leader, which has closed all the city's 60 mills employing 250,000 workers, has entered its fourth month with no immediate settlement in sight.

Bombay accounts for 40 per cent of India's total production and 60 per cent of the industry's exports. Losses in foreign earnings so far are estimated at around \$40m (£22m), of these one third are contracts which have been cancelled and are unrecoverable. These include big orders from Brazil, China and Pakistan.

The industry hopes that some of the remaining orders can be salvaged when the strike is ended, but this is by no means certain. One executive said: "India is losing its credibility abroad as a reliable supplier. That's the message we're getting from our agents."

The Indian Government is

also becoming increasingly concerned at the wider economic effects of the stoppage. India faces a yawning trade gap and has recently had to draw down part of its IMF facility earlier than expected to cover dwindling foreign exchange reserves.

The Government in Delhi is proposing to set up a committee to investigate the state of the textile industry across the country. The Maharashtra state government plans to set up its own committee to "investigate the workers' grievances."

The hope is that this will lure workers back without recognising Dr Samant, who is now regarded as a major threat to industrial relations in the state.

The government may also be faced with rescuing mills which go bankrupt as a result of the strike. Up to 15 plants—25 per cent of the total number in Bombay—could go out of business. The government already runs 125 mills across India which would have otherwise had to close down.

The strike was called in the middle of January by Dr Samant, an unofficial trade union leader with a record of getting big pay increases for workers through strike action and, according to his opponents, intimidation and violence. Dr Samant denies this.

Bombay's disaffected textile workers were then—and remain officially—members of the local branch of the Indian National Trade Union Congress (INTUC). They switched their allegiance overnight in response to Dr Samant's strike, walking out on existing pay agreements.

INTUC is affiliated to the ruling Congress (I) Party of Mrs Indira Gandhi, the Prime Minister. Whatever the eventual outcome of the strike, it is clear that INTUC has been dealt a major body blow.

The government has so far resisted intervening. Initially it urged the mill owners to stand firm, though it may now try to nudge them towards a settlement. However, it may decide to go for punitive action against what is an unofficial

union. The mill owners are refusing to negotiate and insist they will not change their minds. On Monday, they threatened to move the factories out of Bombay and start afresh with a new workforce unless the strike is called off.

Although this is not a plausible threat, it is an indication of the deep feelings against Dr Samant, whom they regard as a dangerous interloper.

Last week, India's two Communist-dominated trade unions, which had previously opposed the strike largely because they saw Dr Samant as a threat to their own position, did a volte face and swung behind the stoppage calling a one-day general strike in Bombay.

At the same time, the price of textiles has risen and stocks are virtually depleted. In the last week, traders in Bombay report a 10 per cent rise in prices.

Mrs Gandhi (right): unions attached to her party



Coal 'could save industry \$24bn in bills by 1990'

BY OUR CHEMICALS CORRESPONDENT

THE POTENTIAL for manufacturers in the industrialised countries to switch from oil to coal is far "greater than hitherto realised," according to a report released by the International Energy Agency yesterday.

The report estimates that industry's fuel bills could be cut by as much as \$49bn (£24bn) by 1990 if more oil were replaced with coal.

The report, written by a group from the agency's Coal Industry Advisory Board, says that manufacturers in the industrialised countries could be using as much as 1bn tonnes of coal a year by the end of the century.

Up to now, the highest projections for industrial coal use by the year 2000 have been under 800m tonnes a year.

The report stresses that industrialists will only switch to coal on this scale if governments help with "subsidies, tax concessions and low-interest loans to encourage conversions."

The report explains that despite the substantial reductions in fuel bills that manufacturers can expect if they

switch from oil to the cheaper coal, many are deterred by the heavy capital costs involved in converting their equipment.

"At the heart of the problem furnaces which are committed to oil and gas and turn over very slowly," it says. "The decision to convert is a balance between fuel and other operating costs and the capital required."

The report adds that cash flow considerations frequently require fast paybacks—often only two years—before manufacturers will decide to convert to coal.

There would be more conversion to coal if government incentives made it possible for the high cost of investment to be spread over five years.

The International Energy Agency has been encouraging "greatly increased coal use" since 1979, following the Iranian revolution and the subsequent world oil crisis.

"The Use of Coal in Industry," Report by the Coal Industry Advisory Board; International Energy Agency, 2, Rue André Pascal 75775, Paris Cedex 16, France.

French supply generators to Brazil hydro plant

BY OUR FOREIGN STAFF

CREUSOT-LOIRE, the French steel and heavy engineering group, has announced that two of its subsidiaries have signed a FF 350m (£35m) contract to provide generators for Brazil's Samuel hydroelectric plant.

The company said that Centrals Electricas do Norte (Eletronorte) awarded the contract to a group of Brazilian and French construction companies led by Mecanica Pesada, Creusot's Brazilian unit. Neyrpic, another group member, also will participate. The plant will have a generating capacity of 220 MW, and is being built on the Jari River in the Amazon region.

The order was one of several overseas deals announced by French companies.

Speichim, a chemical engineering company, has signed a contract to build an alcohol distillation plant in Tanzania at which anhydrous alcohol, distilled from sugar cane molasses, will be mixed with gasoline to produce gasohol. The plant will have

a capacity of 10m litres a year and will be financed under a protocol signed by French and Tanzanian Governments.

Bouygues, the public works and construction group, said its subsidiary, E. G. Engineering, has set up a joint venture in association with Earl and Wright, a subsidiary of Sedco Incorporated of Texas. The new company will specialise in the development of onshore and offshore oil industry technology, especially design of steel or concrete structures and equipment used in exploitation of gas and liquid petroleum products.

Compagnie Generale d'Electricite (CGE) is heading a consortium of companies to supply FF 350m (£35m) in electromechanical equipment following a contract awarded to CGE by Makmalport, Albania's import agency. Delivery of the equipment, for use in a 600 MW hydroelectric plant being built on the Drin River, will be spread over the next six years. Consortium members are CGE-Alsthom Atlantique and Neyrpic.

More talks likely on flags of convenience

GENEVA — The United Nations will probably need a second round of talks before moving ahead with plans to restrict the foreign registering of ships, delegates to a meeting on flags of convenience said yesterday.

The 17-day talks in Geneva, due to end this week, have given Western states the first detailed view of how Third World countries think flags of convenience can be phased out, they said.

But discussions have not bridged the gap between the developing countries, which see foreign-registered ships as safe and unfair competition for their own fleets, and the industrialised states.

"The industrialised countries want to make the flags of convenience more respectable while the Third World wants to abolish them altogether," said one West European delegate to the talks sponsored by the UN Conference on Trade and Development (Unctad).

This continuing disagreement should make another round of technical discussions necessary before a UN conference proceeds to draw up a convention restricting flags of convenience, delegates said.

Critics of flags of convenience, which account for 28 per cent of all world shipping, say the loose registration requirements in Liberia, Panama and other countries with open registries allows foreign ships registered there to cheat labour and safety laws.

Reuter

U.S. doubles imports of petrol from China

WASHINGTON—U.S. imports of petrol from China more than doubled last year to \$238.7m (£143m), the U.S. International Trade Commission (ITC) reports.

China was eager to increase its earnings of hard currency, the ITC explained, so it did its best to ship its highest value goods. Crude oil exports from China to the U.S. declined, however.

China expects to increase its petroleum product exports even more after 1985, when offshore wells, being developed with the help of U.S. companies, come into production.

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UK NEWS

Wales remains a magnet for the gold hunters despite 128 years of broken dreams. Carla Rapoport explains

A WELSH gold mine, which for 70 years has produced little more than a few royal wedding rings, is about to be commercially developed. The Crown Estate Commissioners have just granted the Carnarvon Mining Company a new 21-year lease over 115 acres in Wales, including the Clogau St David's Gold Mine.

The Magnet group operates a number of gold mines in Australia and claims to be the largest holders of gas and oil acreage on- and offshore Australia, with a total of 130m acres. Mr Wyatt, 42, is British with a background in journalism, investment analysis and more recently oil and gas exploration through Monarch Petroleum. The development of the Welsh mine has been his baby. "The mixture of black and yellow gold appeals to me," he says.

I don't think I'm in love with the idea of gold... I think I can make a commercial success of it

believes it can make a profit on Welsh ground. Since 1854, however, the territory has yielded little but shattered dreams.

"As long as we stay with the richer rock and use modern techniques," says Mr Charles Wyatt, a director of Carnarvon and Monarch Petroleum, part of the Magnet Group, "I think we can make a go of it." The company will be investing £350,000 over the next six to nine months in order to undertake a major sampling programme on the site. A permanent milling operation will come next, backed by a further £500,000 investment.

Mr Wyatt explains that the gold in Wales is notoriously patchy, with the quantity of Welsh gold per tonne of Welsh rock varying enormously. This quality, he says, is similar to a number of mines in Australia. Notable among them is the Gympie Mine in Queensland, which produced 3.5m fine ounces in its lifetime. As a result, Carnarvon plans to cull the experience gained in Gympie for its Welsh work. "I don't think I'm in love with the idea of gold... I think I can make a commercial success of it. We think it's been wrongly ignored," he says. Ignored is probably the wrong word. Since the discovery of gold in Wales was publicly announced in 1854, a day has rarely passed without someone taking a pick-axe to the hills of the old Welsh county of Merioneth. Fortunes have been made and lost,

mostly lost, out of the rambling hills, providing a history as rich as any of its gold.

The precious stuff was officially discovered in Wales in the course of mining something much more mundane. In the early 1840s the manager of some Welsh lead mining operations called in an expert to advise on how to obtain a cleaner concentrate. In carrying out his investigations, the expert noticed a yellow metal caught in the dressing machine.

According to Mr G. W. Hall, the author of "Gold Mines of Merioneth," the expert, Mr Arthur Dean, "satisfied himself of the existence of a whole system of auriferous quartz veins ramifying through the mountains of North Wales" and duly submitted a paper on his find to the British Association in York in 1844.

Mr Dean's find did not pan out, and nothing much happened until the famous strike at Sutter's Mill in California. Gold fever crossed the Atlantic and soon Britons began to think Wales might be worth a try. Typical of the times is a letter printed in the Mining Journal in the early 1850s:— "Dear Mr Editor, where is North Dolwyddelan? Is there a gold lode there? Can an honest body have shares? I will go and buy a pick and a pair of high-boots in anticipation of your early reply: I have got a tin dish for washing the stuff—that is, I can make one out of the lid of a fish-kettle I have got..."

multiplied on the Stock Exchange and investors emptied their pockets.

Between early 1862 and May 1863, according to Mr Hall, no fewer than 12 public mining companies were floated, raising £690,000 from the public. Shares in one company, Cambrian Consolidated Gold Mines, were snapped up in 24 hours. To put this amount of capital in perspective, consider that the miners were earning about £1 a week during the period.

Production went well in 1862 and shares changed hands at huge premiums. But the decline this time was also steep. By the end of 1863, it was clear that output would be negligible for the mines. Fraud and corruption was blamed for much of the failure.

Investors by early 1864 had concluded that the Welsh mines were either a one-time freak or a great swindle and largely gave up. A few more discoveries gave hope to the die-harders, like Mr Dean, but failure to find more lodges of rich stone dealt a death blow to the district. By the end of the decade, the area was a ghost town.

Aid for Harland this year to be £47.6m

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT is providing £47.6m of continued support in 1982-83 for the State-owned Harland and Wolff shipyard, Mr James Prior, Northern Ireland Secretary, announced yesterday.

He emphasised that the money-losing shipyard must demonstrate that such a level of support was justified. It could do so by increasing its competitiveness so that the heavy burden on public funds could be progressively reduced.

Mr Prior, in a Commons written reply, said that in return for the support of this financial year Harland and Wolff "would take all steps necessary to reduce its operating costs and improve efficiency."

The funding limits announced by the Government indicate the company's expectation of a con-

tinuing low level of financial performance, mainly as a result of the shortage of shipbuilding and marine engine orders.

The Government was required to provide £48m for the company in 1981-82, as well as allowing it up to £10.9m of commercial borrowing.

Harland and Wolff's immediate fortunes were boosted earlier this month by an order worth £28m for construction of

a 170,000-tonne bulk-carrier. The order was placed by a company in the Lombard North Group, a part of the National Westminster Bank group.

The ship, to be completed early in 1984, will be chartered by British Steel.

Dr Vivian Wadsworth, the chairman, has said that he is optimistic that further orders will shortly be won, and that this will ease the number of

De Lorean debt case adjourned

STRATOFLEX (UK), a supplier to De Lorean Motor Cars, yesterday petitioned Ulster High Court for a winding up of the sports car assembly company.

Ulster plans £100m change to coal-fired power generation

NORTHERN IRELAND'S electricity service is expected to tell the Government soon that the best way to reduce the province's heavy electricity subsidy would be to convert its biggest power station from oil to coal-burning, at a cost approaching £100m.

Developer may buy Speke car plant

BL CARS may have found a buyer at last for its former Triumph plant at Speke, near Liverpool. Most of the plant has been empty since 1978 when TR7 assembly transferred to Coventry. Remaining operations ceased largely at the start of this year.

R-R warns of losses over axing of TriStar

ROLLS-ROYCE, the state-owned aero-engine maker, could lose from £50m to £300m turnover and between £50m and £70m profits annually in the late 1980s as a result of Lockheed's decision to stop production of the TriStar airliner, Lord McFadden, R-R chairman told a House of Commons select committee yesterday.

RDL sale to go ahead despite unions

BY MAURICE SAMUELSON

THE controversial £10m sale of British Steel Corporation's engineering subsidiary Redpath Dorman Long to the Trafalgar House Group will be completed today in the face of defiant threats of further opposition by trade unions.

Accounts policy changed

BY DUNCAN CAMPBELL-SMITH

TREATMENT of associated companies in consolidated group accounts will be amended following the publication yesterday by the accountancy profession's main watchdog body of a revised formal stance on the whole issue of accounting for associated companies.

Gas supply deal signed

BY RAY DAFTER, ENERGY EDITOR

BRITISH GAS Corporation and three North Sea oil consortia yesterday signed a deal to provide the UK with new supplies of natural gas.

Galaxy aircraft

BY RAY DAFTER, ENERGY EDITOR

Pratt and Whitney, General Electric and Rolls-Royce have all come to the conclusion that no single company is likely to be able to take on new engine projects alone, he told the committee.

£7m private hospital plan

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

AN AMERICAN company, which owns and runs 368 hospitals worldwide, most of them in the U.S., revealed plans yesterday for a £7m private hospital in Edinburgh.

Lothian faces £45m cut in rate support grant

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

MR GEORGE YOUNGER, Secretary of State for Scotland, has informed Labour-controlled Lothian Regional Council that he proposes to cut £45m from its rate support grant because of over-spending plans.

Gas supply deal signed

BY RAY DAFTER, ENERGY EDITOR

The gas, produced in association with crude oil, will be supplied from next year at a maximum rate of about 60m cu ft a day—almost 1.5 per cent of the corporation's present average requirement.

Accounts policy changed

BY DUNCAN CAMPBELL-SMITH

Statement of Standard Accounting Practice No. 1 (SSAP 1) was issued in 1971 and provides for the basic equity method of accounting for associate companies, those in which the investing company, that is, owns over 20 per cent of the voting equity but less than 50 per cent.

Lothian faces £45m cut in rate support grant

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

It was not daunted by the prospects of another struggle and said the Secretary of State's action was an attempt to crush local services and was against the interests of local government democracy.

Galaxy aircraft

BY RAY DAFTER, ENERGY EDITOR

Pratt and Whitney and General Electric received funding from the U.S. Government for government projects, such as engine development for the Galaxy transport aircraft.

Gas supply deal signed

BY RAY DAFTER, ENERGY EDITOR

The increase reflects the higher development costs of fields in this sector and takes into account a more competitive spirit for gas marketing in the UK.

Accounts policy changed

BY DUNCAN CAMPBELL-SMITH

Goodwill arising from associated company equity must be shown separately



Hedderwick liquidator pays out 35p in £

By John Moore, City Correspondent

THE liquidator of Hedderwick Strirling Grambar, the failed stockbroker which crashed with a £1m net deficit last year, has paid out a further 35p in the pound to the firm's creditors.

The Stock Exchange's official assignee, Mr Martin Fidler, who is acting as liquidator, has made the payment of 65p in the pound and the latest payment has been made in the past few days.

This month a former manager of the Hedderwick liquidator, Mr Terence Webster, made a £100,000 out of court settlement to the liquidator.

Hedderwick was hammered on the Stock Exchange in mid-April last year when its banker, National Westminster, refused to handle cheques to cover its gilt dealing for the day. The firm's gross debts were estimated to be £6m.

The liquidator is trying to establish a consideration for the private-client business of Hedderwick, about 80 per cent of which was taken over by Quilter Goodison, the stockbroker which is headed by Sir Nicholas Goodison, Stock Exchange chairman.

Insider-dealing case sent for trial

TWO PEOPLE accused in the first English case of insider dealing have been taken over by the liquidator.

Mr John Titheridge and his wife Joyce were committed to trial yesterday on summonses issued by the Trade Department under the Companies Act 1980.

The two are accused of offences relating to dealings by Mr Titheridge in securities of Joseph Stocks and Sons. When the offences are alleged to have occurred Mrs Titheridge was a secretary at Hill Samuel, the merchant bank, which had a business relationship with Stocks.

Open tender call on satellite television

A SYSTEM of open tender for direct-satellite broadcasting channels was called for last night by Lord Windlesham.

Lord Windlesham was managing director of ATV Network, the Midlands franchiseholder which was also a subsidiary of Associated Communications.

Financial aid

More financial support would also be needed to help fund new aero-engine developments if the business did become profitable, he said.

Rolls-Royce made a pre-tax profit of £18m last year compared with £22m in 1980.

Development

Total development of a new engine could cost up to £150m (£88m), Lord McFadden told the committee.

"It is beyond the capacity of any one company to fund this scale of development," he said.

Northwest Holst to build Welsh plant

THE Welsh Development Agency has awarded a £2.5m contract to Northwest Holst Construction of Cardiff to build the first advance factories at its Baglan Industrial Park, near Port Talbot.

The contract is for 25,000 sq ft and for 10,000 sq ft units, providing space for about 500 jobs. The estate is being developed as part of the agency's programme to provide job opportunities for steelworkers made redundant at Port Talbot.

Councils 'apathetic' on race harmony

TWO MANY local authorities are still apathetic towards achieving racial harmony, Mr David Lane, chairman of the Commission for Racial Equality, said yesterday.

He was speaking at the launch of a commission booklet, Local Government and Racial Equality, which outlines how councils can work to eliminate unlawful discrimination in areas such as housing, employment, education and social services.

Higher overseas earnings expected

THE OVERSEAS net earnings of seven UK service industries are expected to grow by about 5 per cent to 6 per cent in current prices terms this year compared with 1981, according to the ITC annual survey of foreign trade.

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Galaxy aircraft

BY RAY DAFTER, ENERGY EDITOR

Pratt and Whitney and General Electric received funding from the U.S. Government for government projects, such as engine development for the Galaxy transport aircraft.

"If Rolls-Royce received funding in the same way, there is no reason why privatisation should not be successful," said Lord McFadden.

Higher overseas earnings expected

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Costs appeal in closed shop case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A DISPUTE over legal costs seem certain to cause the three British Rail closed-shop victims to return to the European Court of Human Rights, Strasbourg. They are dissatisfied with the £65,000 costs element in the £145,000 compensation package they were offered by the UK Government.

They say that unless the costs offer is increased to about £100,000 they will have to part with some of their compensation to fulfil promises to repay the Freedom Association the money it spent supporting their claim. The Government is unlikely to offer more, especially as the European Human Rights Commission said the offer represented just satisfaction of the men's claims.

Last August, after a five-year legal battle, the Strasbourg court ruled that the men's sacking for refusing to join one of the rail unions was a violation of their rights under the European human rights convention.

Compelling the three to join a specific union or lose their jobs struck at the very heart of freedoms guaranteed by the convention, the court ruled by an 18 to three majority.

Since then, negotiations have been going on, under the aegis of the Commission, about the amount of compensation they should receive.

Mr Noel James claimed £57,280, Mr Ian Young £24,708 and Mr Roger Webster £13,114 for material losses—wages, pension rights and travel entitlements; and unspecified sums of moral damages to take account of the stress and anxiety suffered by them and their families and the damage to their reputations.

The Government has offered Mr James £51,215, Mr Young £19,826 and Mr Webster £10,076. None of them quarrels with those offers but they dispute the suggestion the costs offer is just. They claim that between them they need about another £35,000 if they are to repay the Freedom Association without dipping into their own pockets.

Mr Norris McWhirter, vice-chairman of the Freedom Association, said yesterday the association would not dream of holding the three to their signed undertakings to reimburse it, were the costs offer not increased.

He said, however, that the men felt themselves honour-bound to repay supporters.

They and the association were taking legal advice. The case would certainly return to the Strasbourg court if the Government did not meet the full costs claim.

Mr McWhirter said the court found the three had suffered injustice. It was arguable that in refusing to pay all their costs the Government was visiting an even greater injustice on them.

Private contractors 'could save NHS £300m'

BY RAYMOND SNODDY

MORE THAN £800m could be saved by the National Health Service if estate management, laundry, catering, and portering services were put out to private contract, it was claimed yesterday.

Mr Michael Forsyth, Conservative Westminster City councillor, argued in a pamphlet "Reservicing Health," that such a saving, if invested in the NHS, would allow almost a 50 per cent increase in capital spending.

This was the equivalent of 52,000 kidney machines or 51,000 extra nurses or 17,600 extra doctors, he said in the pamphlet, published by the Adam Smith Institute.

Mr Forsyth, managing director of an advertising and public relations consultancy, said only 35 NHS hospitals used outside contractors for domestic services, only two for catering and none for portering.

"The NHS is preoccupied for a large part of its time, and a major slice of its budget, with activities unrelated to its major concern, and which are available efficiently and competitively from outside establishments," said Mr Forsyth.

NHS spending in England amounted to £11.1bn, with hotel and general services consuming £3bn and capital spending accounting for only £680m.

Mr Forsyth said that £300m was the minimum which could be saved in a year, based on the experience of putting local government work out to tender.

The scope for saving could be seen in the large variations between England's 14 regional health authorities in the cost of providing the same services.

There was a 20 per cent variation in catering costs and a 45 per cent variation in domestic and cleaning costs, he said.

South East Thames region employed 37 per cent ancillary staff per 100,000 of population more than East Anglia.

"The great strength of contracting out ancillary services," Mr Forsyth said "is that it makes higher standards attainable within a given budget."

"There is also less chance of nationwide industrial disruption in hospitals when ancillary services are provided by large numbers of competing firms."

Reservicing Health by Michael Forsyth, Adam Smith Institute, 50 Westminster Mansions, Little Smith Street, London SW1, £1.

Guide to Health Service efficiency schemes issued

BY RAYMOND SNODDY

THE NATIONAL Association of Health Authorities in England and Wales yesterday issued a guide of 165 schemes used to promote efficiency or better service for patients in the Health Service.

The Index of Practice describes schemes, usually put forward by individual hospitals, which cover ways of reducing fuel bills, improving storage of medical records, or controlling drugs expenditure.

Essex Area Health Authority, for instance, has set up a small area transport service to deliver internal mail throughout the region.

Apart from substantial internal savings, at least £10,000 is being saved on delivery of supplies to independent contractors, the authority says.

In Winchester there has been a 25 per cent reduction in ambulance mileage because of a quota system which has reduced by 40 per cent the number of walking cases using ambulances.

About £30,000 has been achieved in the Medway Health District by changes in the purchase of cobalt for cancer treatment. Instead of buying one high and one low level cobalt source only the high level is bought and it is also used on low level machines when its power has deteriorated.

In Worcester annual savings of £26,000 will be made by transporting waste from various sites to one hospital for incineration.

Other schemes concentrate on improving the quality of service.

PUBLIC NOTICES

GOVERNMENT CONTRACTS ANNOUNCEMENT BY THE REVIEW BOARD

The Independent Review Board for Government Contracts is now embarking on the fourth comprehensive General Review of the profit formula used for non-competitive Government contracts, in accordance with the agreement between Government and The Confederation of British Industry. Additionally the Board is undertaking a major review of the arrangements which were introduced in 1969 for pricing non-competitive Government contracts.

The terms of reference of this review, agreed between Government and The Confederation of British Industry, require the Board to make recommendations concerning all aspects of the current procedures for non-competitive Government procurement. The detailed terms of reference can be obtained from the Secretaries on request.

The Board will take into consideration any written representations which are received before 30th September 1982.

Issued by:
BINDER HAMLIN
(Secretaries to the Review Board for Government Contracts)
8 St Bride Street
London EC4A 4DA. Tel: 01-353 3020

British Airways to decentralise its organisation

Michael Donne describes the new structure and the thinking behind it

BRITISH AIRWAYS' decision to create profit centres based on the airline's existing operating divisions should not be seen as an unscrambling of the airline into its former components, British Overseas Airways Corporation and British European Airways. It is more an attempt to decentralise the airline's principal revenue-producing operations.

Sir John King, its chairman, announced the new organisational structure yesterday. It will take effect on May 1. He made clear the intention is to put greater emphasis on profitability by giving managers of the new profit centres greater freedom to plan and to run the commercial activities for which they are responsible.

He stressed, however, that British Airways will continue to trade world-wide under a single name and display a single image. The main supporting services include engineering flight operations—responsible for all flying-staff—and finance, personnel, legal, public relations and central planning branches. These will all continue to be centralised and to serve the entire airline.

The main BA board will stay as the supreme controlling body, under Sir John and Mr Roy Watts as deputy chairman and group managing director.

The reorganisation follows retrenchment announced last September and put into operation through the winter.

This included reducing staff levels by 9,000 to about 42,000, cutting routes, disposing of aircraft and selling unwanted properties including Airways Terminal, Victoria.

These measures, largely completed, are to improve the airline's cash flow by about £150m in the 1982-83 financial year and to restore profits either late in that year or in 1983-84.

This is the preliminary essential to fulfil the Government's aim of eventually selling BA shares to the public.

The losses for the year just ended, 1981-82, are estimated to be well above £200m. They follow losses of £145m in 1980-1981.

In its new shape the airline will have four divisions. The existing commercial operations department will be divided into three self-contained divisions—the Intercontinental (long-haul) division, the European services division (short-haul and UK domestic operations) and Gatwick services division (responsible for all operations out of Gatwick by the airline and by British Airways, its holiday flying subsidiary).

UK and Ireland sales and

Each of these main divisions will have subsidiary profit centres, designed to group routes together for better management. For example, the long-haul division will have separate sub-divisions—North Atlantic, Caribbean, African, North Asia, South Asia and Australasian, and Concorde.

The European short-haul division will have sub-divisions covering activities such as Manchester-based flights, domestic Shuttle services between London and Scotland, and the Highlands Division serving remoter parts of Scotland.

Sir John said yesterday the advantages that would stem from this detailed decentralisation would be the greater incentives and accountability each division would have in managing its day-to-day affairs. This would have consequent benefits for customers.

He said: "There are massive difficulties still to be overcome but I am confident that with the continuing dedication of everyone in the staff the long-overdue return to profitability can be achieved."

Department, responsible for overall operations-control and will continue to be run by Mr Howard Phelps.

Engineering, led by Mr John Garton, will remain responsible for the maintenance and overhaul of the entire fixed-wing fleet. BA Helicopters is responsible for its own engineering.

There will still be much interplay between the divisions. Several parts of the organisation will act as parent for specialist functions they will provide for the whole airline, in addition to attending to their own affairs.

Examples are the intercontinental long-haul division which will be responsible for advertising, design, sales promotion, business travel and market research.

The European division will handle sales training, reservations services and departure-control. Central Planning will include traffic-forecasting.

This will prevent each division creating its own activities in these areas, thereby avoiding wasteful duplication.

It is made clear there is no intention at this stage to sell the profitable subsidiaries such as British Airways Helicopters and International Aeradio.

These companies will become one organisational unit though retaining separate identities. They will report directly to the main board.

Similarly British Airways Associated Companies which runs the airline's hotel interests will be retained, reporting to the main board.

The existing Flight Operations Department, under Capt Jack Jessop, will remain a central unit responsible for overall management of flying-staff in all divisions other than those of Gatwick division.

Nevertheless, for budget purposes, flying-staff will be allocated to each division and will be regarded as being on that division's manpower strength. The aim is to promote flying-staff's loyalty to that division by enabling them to identify permanently with it.

The existing Operations

CIS insures one in six of Britain's families.

Results for 1981

- * Premium income up from £365 million to £410 million.
- * Investment income up from £117 million to £136 million.
- * Surplus on life assurance business up from £73 million to £85 million—terminal bonuses again substantially increased.
- * Pre-tax profit on non-life insurance up from £16 million to £24 million—special discounts continued on all individual motor policies in force three or more years.
- * Expenses in proportion to premiums again reduced for both life and non-life business.

Importance of Home Service

CIS has in force 11 million life policies and 4 million household and motor insurances, insuring 3½ million families or one family in six in the U.K. Ordinary life and non-life insurance business accounts for over two-thirds of the Society's premium income.

We believe that our Home Service plays a major role in our success. It caters directly for each family's needs as they arise, helps to guide ordinary people through insurance detail and can be more economical for the family than other methods of premium collection and servicing.

We are proud of the fact that our expenses per policy in all the main classes of personal insurance are among the very lowest in the industry.

Extracts from the Report of the Chairman, Mr. H.W. Whitehead, JP, to the Annual Meeting on 28th April, 1982

Increased Bonuses

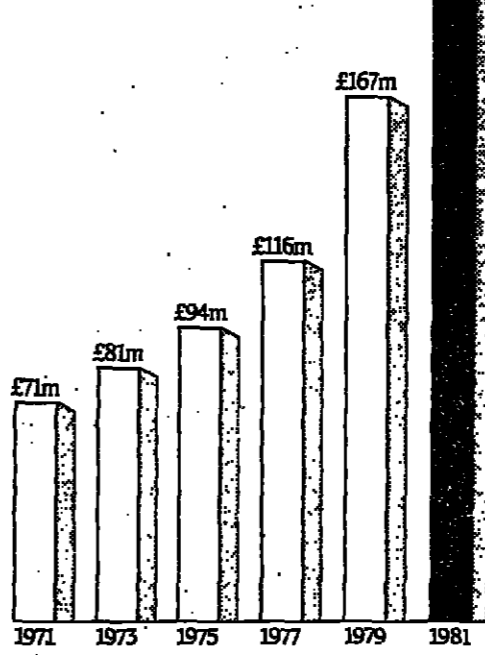
"I am pleased to announce substantial improvements in our terminal bonuses so that, for example, the total bonuses payable on the maturity of a 30 year endowment assurance in the Ordinary Life Section for £1,000 sum assured are increased from £1,806 to £2,066 (following an increase from £1,652 last year).

New Pension Policy

"A notable feature of the year was the immediate success of the new form of pension annuity policy that we introduced in May. The pension annuity policy enables persons who are self-employed or who have an income from a non-pensionable occupation to provide for their retirement by purchasing a pension together with a cash sum at retirement on terms which are specially favourable because the tax treatment on such policies is more generous than it is for life assurances.

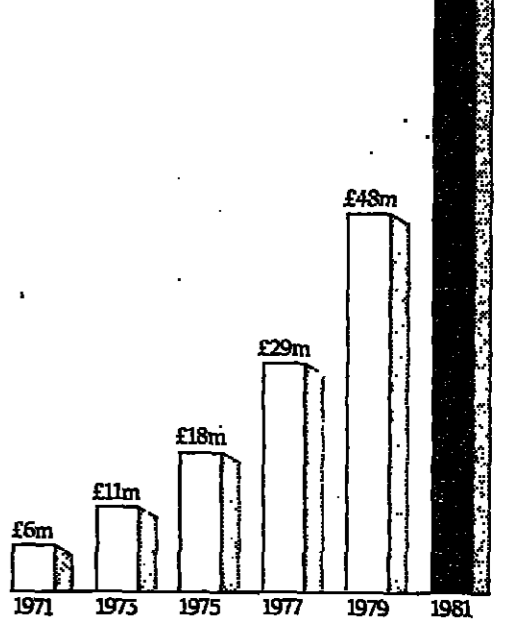
"Our new form of policy is not typical of those in the market. The type of policy most widely available produces a cash sum at retirement, the bulk of which must be used to purchase an annuity (not necessarily from the same company) because the legislation which provides the favourable tax treatment also limits the proportion of the benefits which may be taken as cash. Consequently, the amount of pension obtained depends on

LIFE ASSURANCE PREMIUM INCOME 1971-1981



annuity rates at the time of retirement. However, annuity rates can rise or fall dramatically in a short period of time and we do not believe that our policyholders would want to take such chances with their pensions. We also believe that in the long run we can achieve the best results for our policyholders if their premiums are invested from the outset to produce the benefits in the form in which they must be taken. We therefore designed our policy to provide a pension together with the maximum permitted cash sum. In 1980 our previous type of policy accounted for just over 2% of new ordinary life premiums, but since the new policy was introduced the volume of such business has risen steadily and now represents about 12% of new ordinary life premiums.

HOUSEHOLD INSURANCE PREMIUM INCOME 1971-1981



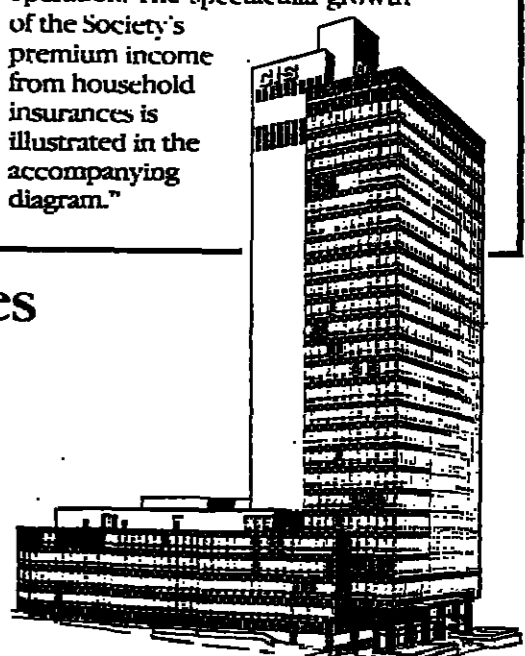
Household Insurance

"Of all the major insurance companies transacting insurance on household contents, the Society charges the lowest rates of premium in virtually all areas of the country for both the traditional indemnity type of contract and the newer, higher-premium, replacement contract. The Society also provides a high standard of service, especially on claims, because of its home service basis of operation. The spectacular growth of the Society's premium income from household insurances is illustrated in the accompanying diagram."

3½ million families feel secure with

CIS

CO-OPERATIVE INSURANCE SOCIETY LIMITED
Chief Office: Miller Street, Manchester M60 0AL
Tel: 061-832 8686



GREATER MANCHESTER COUNTY COUNCIL: 69 million at an average rate of 12.937%...
TAYSIDE REGIONAL COUNCIL: 25,000,000 bills...
LONDON COUNTY COUNCIL: 4.82...
SOUTH WEST REGIONAL COUNCIL: 11.2...
SOUTH EAST REGIONAL COUNCIL: 11.2...
SOUTH WEST REGIONAL COUNCIL: 11.2...
SOUTH EAST REGIONAL COUNCIL: 11.2...

Building workers' negotiators reject 5.3% basic offer

BY IVO DAWNAY, LABOUR STAFF

UNION negotiators for 600,000 construction workers dismissed as "unacceptable" yesterday an initial employers' offer of a 5.3 per cent on basic pay rates.

The unions warned that if the wage increase was not improved substantially by June 1 they would give notice of withdrawal from talks with the employers by the end of that month to allow their members either to bargain at local level or take industrial action.

Under the offer, made at a meeting of the Building and Civil Engineering Joint Board in London yesterday, guaranteed minimum earnings for labourers would increase from £73.51 to £77.41. Minimum wages for craftsmen would rise from £86.19 to £90.67.

The employers offered to improve the value of credit stamps issued for holidays, and other benefits, by 50p to £9.50 a week, and to increase sick pay to

Power men at Hoover end strike

By Our Labour Staff

A GROUP of 27 electricians at the Hoover factory at Cambuslang, Glasgow, yesterday voted to end their week-long strike and returned to work.

The company last night rescinded a plan to lay off the remaining 620 manual workers. However, there will not be a full recall of the 890 people already laid off until normal operations are resumed on Tuesday.

Hoover said it could not accept everybody back immediately until machinery was brought back into working order.

The electricians' dispute was over a claim for extra shift payments, and over work carried out on a machine by a member of management.

Mr Eddie McAvoy, union convenor at the plant, said the electricians had accepted a union recommendation to return to work and take their dispute through the normal procedure.

In the background to the dispute lie problems over this year's pay claim and over changes in working practices sought by the company before investing £7m into the plant.

Hoover wants industrial relations to be improved and efforts made to settle the plant's pay problems. Manual workers have claimed 12 per cent pay rises.

Nurses press for new pay formula

BY IVO DAWNAY, LABOUR STAFF

THE ROYAL College of Nursing, Britain's largest nurses' union with 195,000 members, yesterday called for immediate talks with the Government on finding a new formula for future wage negotiations.

The move comes as other health service unions are rapidly approaching a major conflict with employers over their refusal to improve on a 4 to 6.4 per cent pay offer.

More than 1,000 delegates to the RCN's annual conference in Harrogate abandoned a pay debate and instead urged other NBS unions to take steps towards tripartite talks with the Government and management on a machinery to set and maintain nurses' wages at an acceptable level.

A motion calling on the other unions to agree to an early meeting with the Government was passed unanimously by the conference.

Later Mr Alan Giles, RCN council chairman, said that talks could begin within the next two weeks. "Our willingness to talk has existed for some considerable time and it saddens us that we have to put resolution forward to get these other trade unions off their butts," he said.

The RCN's position on the pay round will become clear at the end of May after a ballot of members on the Government's 6.4 per cent offer to nurses.

The college had earlier joined with the 14 other NBS unions to demand a 12 per cent

rise. However, with the RCN rule book outlawing industrial action, it is widely believed that members will reluctantly vote to accept the offer.

The motion calling for the revision of Rule 12 which prevents industrial action, is expected to be passed today. But previous votes in favour of allowing limited strikes have always been overruled when put out to ballots of the entire membership.

Meanwhile, selective industrial action by the Confederation of Health Service Employees' 235,000 members continued yesterday. The union began a series of two-hour stoppages, bans on non-emergency hospital admissions and other sanctions on Monday in protest against the employers' refusal to increase a general pay offer of 4 per cent.

The TUC Health Services Committee will meet today to discuss a campaign of industrial action following the refusal of Mr Norman Fowler, the Social Services Secretary, on Tuesday to allow any increase in Government funding for health service wages.

Several unions, including the National and Local Government Officers Association, which has over 100,000 members in the health service, are already preparing to take sanctions. They also include the 60,000 health workers in the General and Municipal Workers' Union.

TUC plans Union Day protest over Tebbit Bill

By Phillip Bassett, Labour Correspondent

THE TUC yesterday designated Thursday June 10 as a day of widespread public campaigning against the Employment Bill.

The TUC general council decided to call it Union Day. TUC leaders were careful to avoid linking the day of campaigning with a call for strike action, mindful of the relative failure of its Day of Action in 1980 over employment policy.

Instead millions of copies of a leaflet on the Bill will be distributed at railway and bus stations, factory gates, in shopping precincts and at other key points in major cities and towns.

It will explain the threat posed to trade unions by the Bill, and will emphasise the positive role of unions. Distribution will be done through the TUC's regional structure and by individual unions.

As a preface to Union Day, the TUC yesterday issued a campaign pack on the Bill which will be distributed at work to trade union representatives. It contains briefing material which stresses the need to urge employers not to make use of the Bill.

The TUC also officially launched a travelling exhibition designed to set the Bill in the context of previous legal attacks on trade unions. The display has already been to a number of spring union conferences and is booked for many more.

Other plans include a series of briefing conferences for union officials and a major series of regional briefings.

Equal pay fight backed

By DAVID GOODHART IN EASTBOURNE

THE 437,000-strong shop workers' union, yesterday backed the principle of positive discrimination for women.

About 63 per cent of the Union of Shop, Distributive and Allied Workers members are women but there are only two women on the 15-member executive council. Only nine out of 139 negotiating officials are women.

Mr Bill Whatley, general secretary, who backed the principle of positive discrimination, said the union would be better

Days lost through strikes fall sharply

BY BRIAN GROOM, LABOUR STAFF

THE NUMBER of working days lost because of strikes fell sharply in March, according to the latest issue of the Department of Employment's monthly gazette.

The provisional figure is 315,000—well below the revised figures of 487,000 and 681,000 for January and February, and also below the low monthly average of 350,000 in 1981.

The first-quarter cumulative total is only a little higher than the corresponding figure last year.

February's figure was boosted by strikes at British Rail and Leyland Vehicles. In March, nine stoppages accounted for nearly 60 per cent of days lost. These included strikes by airport staff, car workers, shipbuilding workers and some local authority staff.

The Employment Gazette also shows the continued fall in manual workers' basic working hours. By the end of the year it expects these to average just under 39½ a week, and about 90 per cent of manual workers should have a basic paid holiday entitlement of four weeks or more.

Normal weekly hours averaged 39.7 in 1981, compared with 39.8 in 1980. However, the national engineering agreement prompted a substantial fall in the latter half of last year. By February 1982, weekly hours averaged 39.5, and agreements so far this year show a continuing decline.

Max Wilkinson writes: Average spending by families in the first half of 1981 rose by about 16 per cent, compared with the previous year, according to the latest figures from the Family

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Postal lobby

About 50 members of the Post Office Engineering Union yesterday lobbied the union's executive to press for industrial action over the break-up of British Telecom's monopoly.

Rail workers vote to fight jobs cut plans

By Lorne Barling

RAILWAY WORKERS at Swindon, Wiltshire, voted yesterday to oppose plans by British Rail Engineering (BRE) to halve the workshop's labour force by dismissing around 1,500 by the end of next year.

A nine-point recommendation, which included a move to prevent the transfer of work to other BRE plants through union blocking, was accepted at the meeting of about 2,500 workers. They also plan to ask the National Union of Railwaymen and the train drivers' union, ASLEF, for help in the blocking of all work which would have been carried out at Swindon.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1975=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. orders	Retail vol.	Retail value*	Unemp. employed	Vacs.
1981							
1st qtr.	99.5	88.7	98	106.6	130.8	2,282	100
2nd qtr.	99.0	88.9	98	104.7	124.5	2,425	99
3rd qtr.	99.9	89.2	104	105.5	139.1	2,641	96
4th qtr.	100.3	89.9	88	105.4	168.5	2,752	104
Aug.	99.7	89.6	124	105.0	139.0	2,643	98
Sept.	100.4	90.5	87	103.5	138.8	2,692	97
Oct.	101.7	91.5	94	106.2	147.3	2,523	99
Nov.	100.1	90.9	82	105.6	158.4	2,769	104
Dec.	99.2	88.3	79	104.6	193.1	2,769	106
1982							
Jan.	99.3	88.4	96	107.0	143.9	2,818	112
Feb.	99.9	90.0		106.1	137.6	2,818	113
March				107.0		2,823	111
April						2,823	110

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufactures, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mfg.	Textile Housg. etc.	Starts*
1980							
4th qtr.	94.2	91.7	117.2	86.7	71.0	77.2	10.1
1981							
1st qtr.	93.5	88.4	117.2	84.2	75.7	76.7	10.9
2nd qtr.	93.1	88.8	118.0	84.8	78.7	75.8	14.1
3rd qtr.	93.5	89.3	118.7	86.3	77.3	75.0	14.2
4th qtr.	93.5	90.1	121.3	86.3	82.6	75.0	11.8
Aug.	94.0	89.0	118.0	85.0	76.0	78.0	12.5
Sept.	93.0	90.0	120.0	87.0	79.0	75.0	15.4
Oct.	95.0	90.0	124.0	87.0	85.0	75.0	12.4
Nov.	93.0	90.0	121.0	86.0	83.0	78.0	14.1
Dec.	92.0	90.0	119.0	85.0	79.0	74.0	7.7
1982							
Jan.	91.0	91.0	119.0	86.0	79.0	73.0	11.1
Feb.	92.0	92.0	119.0	88.0	84.0	74.0	14.8

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US\$bn*
1980							
4th qtr.	126.4	111.4	+1,265	+2,114	+222	105.2	27.90
1981							
2nd qtr.	122.4	126.4	+582	+1,470	+698	99.6	26.73
4th qtr.	118.9	107.8	+336	+787	+230	105.1	23.35
March	102.9						28.21
April	104.7						28.07
Sept.	129.8	129.2	+58	+191	+291	98.6	23.70
Oct.	132.4	122.2	+296	+602	+74	98.9	23.32
Nov.	134.4	136.2	-79	+205	+205	100.1	23.46
Dec.	130.6	128.6	+335	+641	+419	100.4	23.35
1982							
Jan.	119.5	125.4	-132	+248	+168	101.2	23.23
Feb.							23.37
March							18.97

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
1st qtr.	6.8	8.5	12.4	+1,208	1,081	1,894	12
2nd qtr.	22.1	17.3	6.5	+4,250	1,103	1,936	12
3rd qtr.	8.1	18.1	29.7	+5,938	868	2,019	12
4th qtr.				+2,173	422	1,980	12
June	21.9	17.8	8.6	+1,164	371	674	12
July	14.2	17.2	19.8	+2,240	249	658	12
Aug.	9.6	22.5	34.3	+2,458	334	706	—
Sept.	—	20.2	24.0	+1,652	154	681	—
Oct.	—	17.3	20.4	+445	65	642	—
Nov.	—	—	—	+176	303	697	—
Dec.	—	—	—	—	—	—	—
1982							
Jan.	—	—	—	+1,338	358	684	—
Feb.	—	—	—	+946	347	691	—

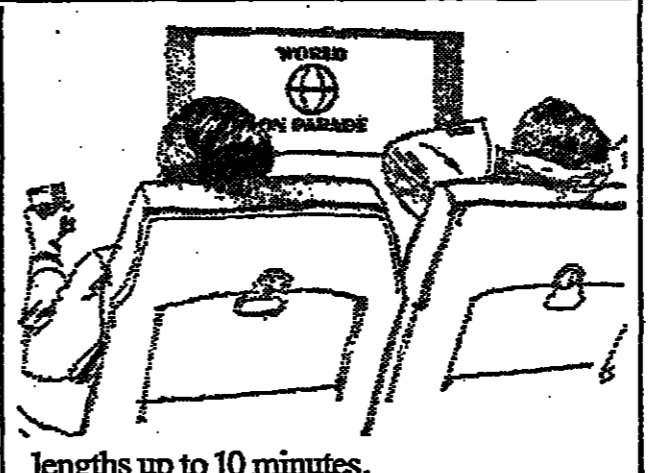
INFLATION—Indices of earnings (Jan 1978=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices of food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings	Basic matls.*	Wholesale manfg.*	RPI*	Foodst.	FT commodity	Strid.
1981							
1st qtr.	195.3	212.8	212.3	280.4	268.7	261.56	101.4
2nd qtr.	202.2	225.5	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.8	237.3	223.2	308.5	285.6	248.97	89.7
Sept.	201.7	237.9	225.9	301.0	273.6	260.83	85.0
Oct.	212.5	236.9	226.8	302.7	282.7	259.12	88.2
Nov.	214.5	236.9	226.8	306.9	285.5	245.79	90.1
Dec.	217.1	236.8	226.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	—	238.0	224.4	311.6	297.7	245.7	91.1
Jan.	—	214.1	238.9	322.9	318.5	252.94	91.1
Feb.	—	216.3	239.9	324.6	310.7	297.2	91.3
March	—	235.3	233.6	313.4	299.8	242.40	90.3

The Overworld.

Your best customers are up in the air — watching a powerful new medium.

Jet air travel has created a new market at 35,000 feet. We call it The Overworld. Close to 70 percent of this Overworld travel is business-oriented. New demographic research shows that these business travellers are the most sophisticated, upscale consumers in the entire marketplace—as purchasers, not only of upmarket consumer products, but professional buyers with multi-million dollar budgets in the thick of corporate and governmental decision-making.



In media terms, they have been difficult to reach and to influence—until now.

A business forum on film

We have developed a new and appropriate technique for reaching this Overworld audience with measured effectiveness—on film and in its own language.

The method does not employ the format of the conventional 30-second TV commercial. Instead, it uses elements of news and entertainment, intelligently presented, to tell a sponsor's story in

lengths up to 10 minutes.

We think of it as a business forum on film in which corporations—their achievements, technologies and new product developments—are featured and discussed.

WORLD ON PARADE

The name of this forum is WORLD ON PARADE. The majority of international and domestic U.S. wide-bodied carriers are screening it every day, on every film-showing flight.

Against the superior demographics of this audience, the cost-per-thousand is not only competitive with ground-based media, but often more effective.

3,000,000 viewers per month

Each month, over 3,000,000 airline passengers find WORLD ON PARADE interesting, informative and convincing. Tracking studies show that they are highly positive about its inclusion as part of the in-flight package.

More importantly, viewers have the kind of high recall of sponsors and program content that only comes from telling the right story to the right audience in the right way. Such recall is enhanced because each product or service is featured exclusively in its category, an advantage offered sponsors on a first-come basis by WORLD ON PARADE.

For details on how to become a WORLD ON PARADE sponsor, contact any of our offices. We will come flying!

WORLD ON PARADE

The Overworld business forum—on film.

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TORONTO: 4 New Street, Toronto, Ontario M5R 1P6 (416) 961-3000

HONG KONG: 802 Far East Exchange Building, 8 Wyndham Street, Hong Kong 05-266843

TOKYO: Sanno Grand Building, 2-14-2, Nagata-cho, Chiyoda-ku, Tokyo 100 Japan 03-593-1441

ALLEGHANY INTERNATIONAL



UK NEWS - PARLIAMENT and POLITICS

Molyneux slams Ulster White Paper 'caricature'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR JAMES MOLYNEUX, leader of the Official Ulster Unionists, clashed sharply yesterday with Mr James Prior, Ulster Secretary, over the Government's latest proposals for a devolved Assembly in Northern Ireland.

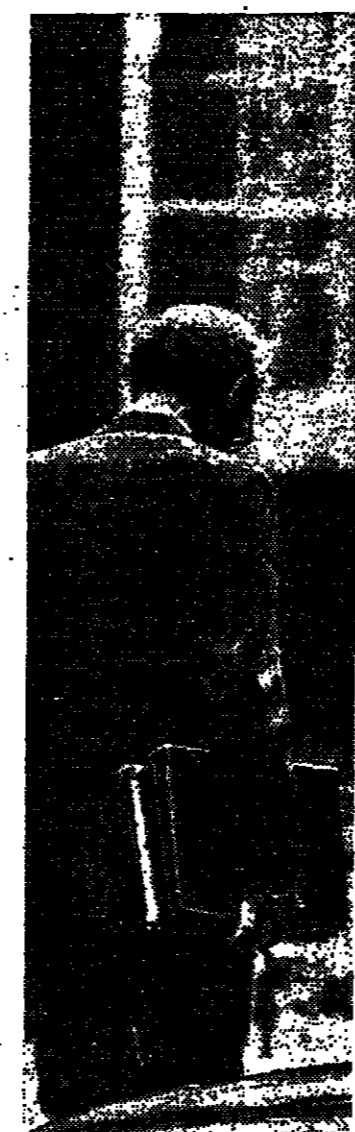
conspiracy to keep the province in turmoil until such time as it would be disposed of." One civil servant had told him: "You and I are intelligent enough to know that the only real solution is a united Ireland."

devotion kit." But he insisted: "I believe very strongly indeed that his opportunity should be taken. I believe that the British people as a whole are looking for some change. My proposals at least give them a chance and a choice."

FALKLANDS CRISIS NEC backs Foot on UN appeal

By Margaret Van Hattem, Political Staff

LABOUR'S national executive committee yesterday unanimously backed the party leader, Mr Michael Foot, in calling on the Government to appeal to the UN for help in resolving the Falklands crisis.



Ashley Ashwood The carps of Office: Mr John Nott, Defence Secretary, after yesterday's Cabinet meeting

Black economy tax loss put at £4bn a year by Revenue chief

BY ROBIN PAULLEY

THE BLACK economy is probably worth about £1bn a year - between 6 and 8 per cent of GNP - and results in a tax loss to the Inland Revenue of about £4bn a year, Sir Lawrence Airey, chairman of the Inland Revenue Board, said yesterday.

included a large proportion of under-disclosed profits, sometimes presented as "over disclosed expenses." Major problem areas were transport, taxis, hotels and catering and the construction industry. The North Sea presented a major problem of non-tax paying casuals and the Inland Revenue was anxious to find an arrangement with the Energy Department and Home Office to secure improvements.

where and the Revenue was keeping a close interest in it. After a Treasury official had agreed that even if the Inland Revenue could prove that the yield against such costs was 4 to 1 or more it might still be allowed to retreat before staff if the policy of cutting the size of the Civil Service was overriding, Mr Joel Barrow, chairman, asked for an official Treasury note on the subject together with information on whether it was already happening.

Nupe vote for Healey criticised

BY PHILIP BASSETT, LABOUR CORRESPONDENT

SHARP CRITICISM of National Union of Public Employees voting in last year's Labour Party deputy leadership election has come from union branches. The 600,000 block vote of the union, normally seen as left-wing, was crucial in securing victory for Mr Denis Healey.

in Scarborough, faces many sharply critical motions on its voting. A motion from Sunderland deplors the lack of recommendation from the union executive. Another, from Midlothian, instructs the executive never again to abandon its duty to the membership, but instead openly to recommend "support for whatever candidate supports the same policies as this union" taken in this case to mean Mr Benn.

allowed to vote within the present electoral college system and therefore influence the course of the Labour Party and its policies to their advantage." The re-emerging argument in the unions over incomes policy will also be examined at the conference, with motions firmly opposing it.

Review of assisted areas 'approaching completion'

BY IVOR OWEN

ECONOMICALLY assisted areas due for a major downgrading as a result of the changes in regional policy announced by the Government will know next month whether they have any prospect of securing a reprieve.

and spending cuts, to deal with a mounting cash crisis. The party's deficit for this year is now estimated at £500,000.

stances have changed substantially and on a scale beyond the normal trends of the recession. During Question Time exchanges yesterday Mr David Steel, the Liberal leader, urged the Government to protect the position of firms in assisted areas who face the possibility that planned extensions to their premises will not qualify for grants on the level previously anticipated.

Overcrowding in prisons 'explosive'

Financial Times Reporter

A STERN warning that Britain's overcrowded prisons were in an "explosive situation" came from former Labour Lord Chancellor Lord Gardiner in the Lords yesterday.

Jobless figure near plateau, says Tebbit

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE LEVEL of unemployment is approaching a plateau, Mr Norman Tebbit, the Employment Secretary said last night.

Opportunities Programme. The commission unanimously proved the scheme earlier this week.

Calling on Home Secretary Mr William Whitelaw to act now, he said: "We are now in a state of crisis in the prisons, in which anything may happen at almost any time."

After announcement of another rise in unemployment to above 3m, Mr Tebbit told the Select Committee that they did not share the "gloomy view" of the forecasts of unemployment provided by the Manpower Services Commission, sponsored by his own Department.

The Government is thought likely to accept most of the task group's recommendation, provided it is satisfied with the quality of training. However, Mr Tebbit would say to the committee only that the proposals were "complex and of a considerable weight and interest."

Lord Lane, the Lord Chief Justice, said the judges were not to blame. The fault lay with successive governments, which had failed to build new prisons. Both were speaking in a debate on prisons opened by Labour peer and prison reform campaigner Lord Longford.

The commission said in its recent corporate plan that there was little or no prospect of an improvement in unemployment levels in the next four years. In a direct clash with its forecast Mr Tebbit said: "I don't find myself in agreement with them. I think that the prospect for an improvement in the long term are very much better than the MSC perhaps felt."

Full details of the scheme will not be officially disclosed until next week. It will provide a work-based year of training for 16-year-olds initially, and then 17-year-olds, and will apply to both employed and unemployed. The proposals would provide for a minimum of 15 weeks on-the-job training, though many of the scheme's savings have been made on the basis of 20 weeks' training.

COUNCIL ELECTIONS CAMPAIGN

Flight into uncharted territory

Gold plate and cigar smoke: Ivor Owen on the voters' mood in Westminster and Hillingdon

TWO contrasting areas of London where the Social Democratic-Liberal Alliance expects to produce impressive evidence of its broad-based appeal when the votes are counted in next Thursday's borough elections are Westminster and Hillingdon.

It is in local government areas like these that SDP and Liberal leaders are looking for victories on a scale which establishes a springboard for success at the coming general election.

and a depressing range of social problems. There is no doubt that both the major parties fear that seats which the political pendulum would once have kept within their grasp are now at risk because of the emergence of the Social Democrats and the founding of the alliance with the Liberals.

Views expressed across the doorsteps in Hillingdon North reflect the same pattern. As a result the Conservatives win, because of the damaging disarray in the local Labour ranks regained control of the borough in 1978 with a voting swing well above the average. Have good reason to hope that at least one of the ward's two seats will still be in their possession after Thursday.

Hillingdon council, has launched an aggressive response in the best Thatcherite tradition of reliance on market forces. Subsidies are not the answer to high fares, he insists, but improved operational efficiency with the emphasis on reducing labour costs.

LEAVING LONDON COULD SAVE YOUR COMPANY A FORTUNE. An estimated £2.75m in annual accommodation costs could be made by moving your company's offices to Derby. To HERITAGE GATE - A new office complex of 180,000 sq.ft. located at a safe distance from the congestion and expense of central London. Heritage Gate, Derby. For further details of relocating to Derby contact: Charles Duncan, OFFICE RELOCATION CONSULTANTS, ORC, Heritage Gate, Derby DE1 1DD. Tel: Derby (0332) 367268. Frank Innes Commercial, 23 St James's Street, Derby. Tel: Derby (0332) 31181.

Local decisions 82

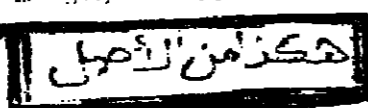
U.S. Supreme Court ruling awaited on unitary tax

BY IVOR OWEN

A RULING to be given by the U.S. Supreme Court in June may help British companies who have been campaigning against the unfairness of tax treatment in California and some other states.

of the Exchequer, has written to Mr Donald Regan, the U.S. Treasury Secretary, to support the view it intends to put before the Supreme Court. The Chancellor referred in his letter to the excessive compliance costs in the unitary system, and stressed that parliament, British companies and the British Government were becoming increasingly concerned about its operation.

BASE LENDING RATES table with columns for bank names and interest rates. Includes A.B.N. Bank, Allied Irish Bank, American Express Bk, Amro Bank, Henry Ansbacher, etc.



THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

ADVERTISING

The doubtful pulling power of sex

BY DAVID CHURCHILL



The exploited exploits

ADELE GRASSER is 32, American, and the newly appointed managing director of Hill, Holliday, Connors, and Crosbie, International, the London offshoot of a medium-size U.S. based advertising agency. It is also said that she has better legs than Ann Burdus.

Before the many admirers of Ann Burdus (former chairman of McCann and the Advertising Association) write in with indignation, it should be explained that the comparison of the lassiveness of the Misses Grasser and Burdus is not mine.

It comes from Grasser herself. Or, rather, from a recent full-page advertisement for HCC in the advertising industry's main trade paper with the eye-catching headline "Better legs than Ann Burdus." (It also went on to claim that Grasser had more jewellery than Ronnie Kirkwood and that she was 10 years younger than David Abbott—but that's another matter.)

Although the advertisement showed neither the legs nor the jewellery, it did show a pretty large picture of Grasser herself and the aim was clearly to draw the male reader's attention to what, in all fairness, is only really a tiny agency in the big world of London's adland.

Was this not a classic case of female exploitation, even if the woman being exploited was Grasser herself?

Grasser remains unrepentant. "We weren't being naive about it; we knew what we were doing," she admits. "The aim was obviously to draw attention to what our agency could offer through an effective, eye-catching advertisement."

The trick has so far seemed to pay off in terms of putting the agency on the media map (it has been in the UK for a couple of years) and in drawing in a number of potential new clients. It also attracted an intrepid insurance salesman to whom Grasser gives full marks for trying but who ended up with a life policy unsold. "I've heard of only one person who was, shall we say, offended by the ad," admits Grasser, "and he was a man I've never met."

Grasser has some justification for the advertisement since, in the brash world of UK advertising where the bulk of promotional spending is aimed at women, there are relatively few women at the top of any size of agency. Advertising still remains very much a man's world.

Her route up the executive ladder started with a firm in banking with Chase Manhattan, before she decided that dealing with her clients' marketing problems was more exciting than sorting out their finances. So she took an MBA at the Harvard Business School and then joined HCC in Boston where she worked on the Wang, Polaroid, and

Gillette accounts. She had no hesitation in jumping at the chance of early promotion via taking over the London end of the agency.

Grasser admits that she is in no way a militant feminist, preferring instead to adopt the line that she is doing more for the status of women by being successful at her job than by marching in the streets. "If more women can make a success of their careers, then that is the best way to overcome prejudices from both men and women," she says.

What would happen, however, if one of her creative directors (both men) came up with an advertisement that portrayed women in an unfair or offensive way? Grasser does not believe that such a hypothesis would become a reality; but if it did, she would apply the test of the effectiveness of the advertisement in getting its message across.

"I don't think that any ad which put down women or portrayed them as slim-witted would be effective, so the problem is unlikely to arise," she counters. "Our advertising for HCC was effective in getting the message across—so I agreed to be featured in such a prominent way."

Undoubtedly, Grasser hopes the ad will give her a leg up in the London agency scene. Unless, of course, Ann Burdus complains to the Advertising Standards Authority about misleading advertising. . . .

SEX SELLS. Anything from a chocolate bar to a sports car; from a laxative breakfast cereal to the Daily Mail; from cigars and cognac to pens and photocopiers. Putting a naked or scantily clad girl or a phallic symbol into an advertisement may not be the most creative approach but, since advertising first began, sex in one form or another has always formed a hard core on which much advertising is based.

Yet conventional advertising wisdom is increasingly being challenged, not so much by the outcry from the feminist movement at the portrayal of women as sex objects, but by the more pragmatic response that using sex to sell may eventually turn off more potential customers than it turns on.

Two new reports* have now added fuel to the debate about the effectiveness of using sex to sell and the way women are portrayed in advertisements in general. Yesterday, Britain's Advertising Standards Authority—the industry watchdog whose job it is to ensure that advertisements are "legal, decent, honest, and truthful"—published a weighty academic study with the somewhat pretentious title of "Herself Appraised." Coincidentally, this followed a smaller study earlier this month from the Equal Opportunities Commission, with a rather more coy title of "Adman and Eve."

Both reports were based on extensive quizzing of a sample of women of all ages and social groups. The ASA survey took a sample of nearly 2,800 women last autumn and at least three calls were made on each respondent. The EOC sample was smaller—some 600 women were interviewed—but they were also questioned extensively about their attitudes to specific advertisements.

Not surprisingly, since any sampling system of research is open to much interpretation, the surveys were unable to reach any really firm or incontrovertible conclusions. But it is clear from both surveys that a significant minority of opinion is unhappy at the way women are portrayed in



"Women did not in general take exception to nudity as such in advertising"

advertisements. Lord McGregor, the ASA's chairman, points out that "advertisers should note the substantial minority of respondents who accepted the possibility of degradation being felt by women as a direct result of the manner in which their sex is depicted in advertisements."

The ASA's much larger sample survey concentrated a good deal of its investigations on the issue of nudity or near-nudity in advertising, since this is an area where it receives a considerable number of complaints. About a tenth of the 6,500 or so complaints received by the ASA each year relate to advertisements which are thought to be "distasteful, indecent, or otherwise offensive." About half this figure—or some 5 per cent of the total number of complaints—are likely to allege specifically that a given advertisement is offensive because of the way it depicts women.

Women surveyed by the ASA, however, did not in general take exception to nudity as such in advertising. "They may be offended by a particular portrayal of a nude woman or by

nudity in an inappropriate context, but nudity in popular magazines and newspapers is widely accepted," says the ASA's report.

The ASA adds that "a permissive attitude to nudity in advertising is often rationalised by arguing that 'pornography is in the eye of the beholder'."

Tighter control

However, some of the inconsistencies of sample surveys is indicated by the fact that while most women appear to have permissive attitudes, about one-third of the sample indicated the need for tighter control of nudity in advertising. "Doubtless this third included many who had a permissive attitude to particular types of advertising," says the report.

Other questions also evoked a tougher approach to nudity. Some 63 per cent "disapproved" of the use of nudes in advertisements just to attract readers, while 38 per cent agreed with the statement that

"the use of nudes in advertising should be banned." Just over half the sample thought that children should be protected from nudity in advertisements. Significantly, this feeling was more strongly expressed by women without children living at home than those with children in the household.

Nearly one quarter of the sample believed that women in general are capable of feeling degraded by the depiction of nude women in advertisements. Some 18 per cent accepted the possibility of feeling degraded themselves on that account.

Objections to advertisements which depicted women in partial undress stemmed almost as frequently from the appearance of the model herself (16 per cent said an "ugly body," while 11 per cent said an "ugly face") as from objections to the way in which the model was presented. However, 23 per cent objected to the sexy or suggestive tone of the model's nakedness.

The degree of dislike of nudity increased in direct proportion to the amount of flesh

exposed by female models and was especially high when male nudity was featured. The report suggests that "an appreciable number of women feel embarrassed at finding themselves having to explain the portrayal of a nude model to a young child."

Some of the most strongly expressed objections to individual advertisements stemmed from the artistic style of the advertisement—the portrayal of women in an ugly, or surreal manner evoked very strong dislike—or from certain product categories. Some products, such as those for menstrual protection, or underwear, were seen as embarrassing because of their potentially personal or sexual connotations.

The EOC study published earlier this month (and already reported in the FT on April 16) concentrated less on the use of nudity in advertising as on the way advertisements interpret the woman's role. Its central conclusion was that advertisements which portrayed women in the traditional roles of housewife and mother in an unrealistic way were likely to be less effective than if more realism were involved.

Neither the EOC study nor the much larger ASA inquiry is likely to lead to much tightening of the rules governing advertisements. Lord McGregor points out that "an examination of the altered treatment of women and the family in advertisements over the last decade or so demonstrates that prudent advertisers have already made, and are acting upon, their own assessments of the directions of change."

But, as any casual glance through a newspaper or magazine—especially trade papers—will show, less prudent advertisers are still pinning their faith on the tried and tested formula: sex sells. "Herself Appraised: the treatment of women in advertisements," published by the ASA, Brook House, 216, Torrington Place, London, WC1E 7ES. "Adman and Eve," available free from the Publicity Section, EOC, Overseas House, Quay Street, Manchester M3 3EN.

Tea party hot up

BRITAIN may slowly be losing its thirst for tea—the trend in recent years has been a 2 per cent per annum slump in tea sales as demand for coffee has risen—but one sector of the £400m a year tea market has shown spectacular growth over the past decade.

Speciality teas, such as Earl Grey, Darjeeling, Nectar, and

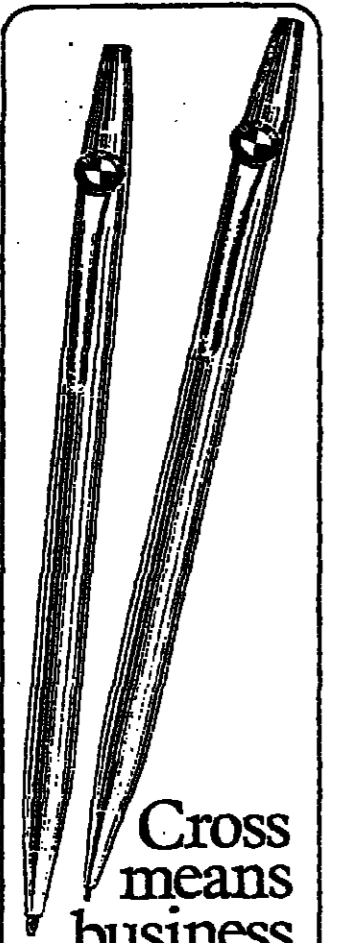
Jasmine, have grown in popularity as demand for traditional blended teas has declined. Ten years ago the speciality tea market was worth a paltry £2m a year and considered merely as a market for cranks. Now, an 80 per cent volume sales increase over the past five years has pushed sales up to £16m last year.

This rapid growth in what was considered a moribund market has been caused by several factors. Perhaps the most significant has been the well-charted change in consumer tastes over the past decade towards more up-market foods with a "superior" image and taste. Hand in hand with this, and helped by the greater prevalence of foreign travel in the 1970s, has been the willingness of grocers of all sizes to stock up with speciality teas which offer a higher profit margin than ordinary teas.

Twinnings, the market leader in speciality teas, has helped create the demand with a generic advertising campaign over the past decade culminating in a television campaign in 1978. Next month Twinnings returns to television with a new £750,000 campaign.

This time, however, it faces competition from another well-established name in the tea business, Liptons, which this weekend is starting its first-ever national television campaign for speciality teas. Liptons also plans to spend £750,000.

The aim of all this advertising is to double the size of the speciality tea market by the mid-1980s to some £30m. Spearheading the growth will be the sale of tea-bags, currently growing at some 40 per cent a year, and echoing the growth of the overall tea-bag market in the 1970s.



Cross means business

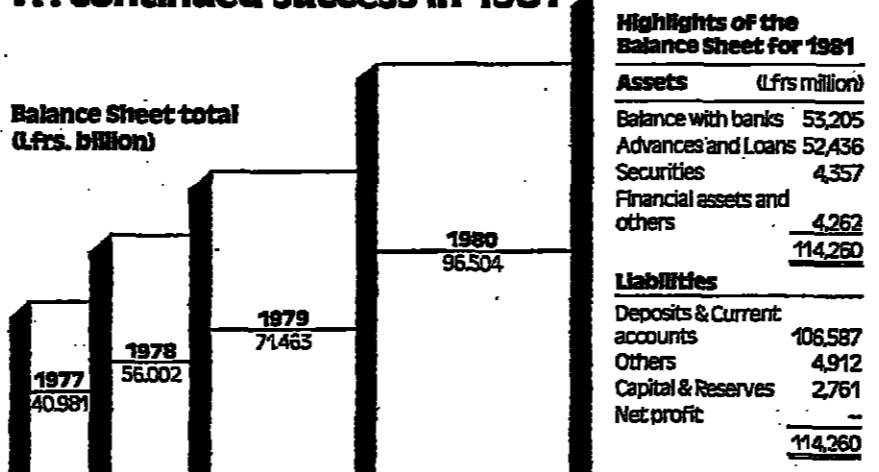
Your business friends will use and treasure your gift of Cross fine writing instruments with your corporate emblem. Perfect for stimulating sales and recognising achievement. Every Cross writing instrument is mechanically guaranteed for life. Send your corporate logo and Cross will send you a complimentary example of a similar clip emblem.

CROSS
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1/15 CONCORDE STREET
LUTON, BEDFORDSHIRE
TEL: LUTON: (0582) 422793

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HYPOBANK INTERNATIONAL S.A.

... continued success in 1981



Highlights of the Balance Sheet for 1981	
Assets	(frs. million)
Balance with banks	53,205
Advances and Loans	52,436
Securities	4,357
Financial assets and others	4,262
	114,260
Liabilities	
Deposits and Current accounts	106,587
Others	4,912
Capital & Reserves	2,761
Net profit	114,260

In 1981, its tenth year of activity in the Euro market, HYPOBANK INTERNATIONAL S.A., Luxembourg, continued its favorable development, increasing the balance sheet total by 18% to frs 114 billion (US \$ 2,698 billion). The Bank maintained its strong position in the Eurocurrency market. The widely diversified international loan portfolio grew by 32%, accounting for considerably more than half of the total assets.

Services to private customers in the areas of deposits, securities, precious metals and investment consulting were strengthened substantially. Gold certificates were added to the range of investment opportunities.

offered to the Bank's customers. To accommodate an adequate relation to business growth, the Bank raised funds by arranging a subordinated loan of frs 564 million (US \$ 13,317 million) in 1981. At year-end, capital was unchanged at frs 1,555 billion. Total network, general provisions and the subordinated loan amounted to frs 3,567 billion (US \$ 84 million).

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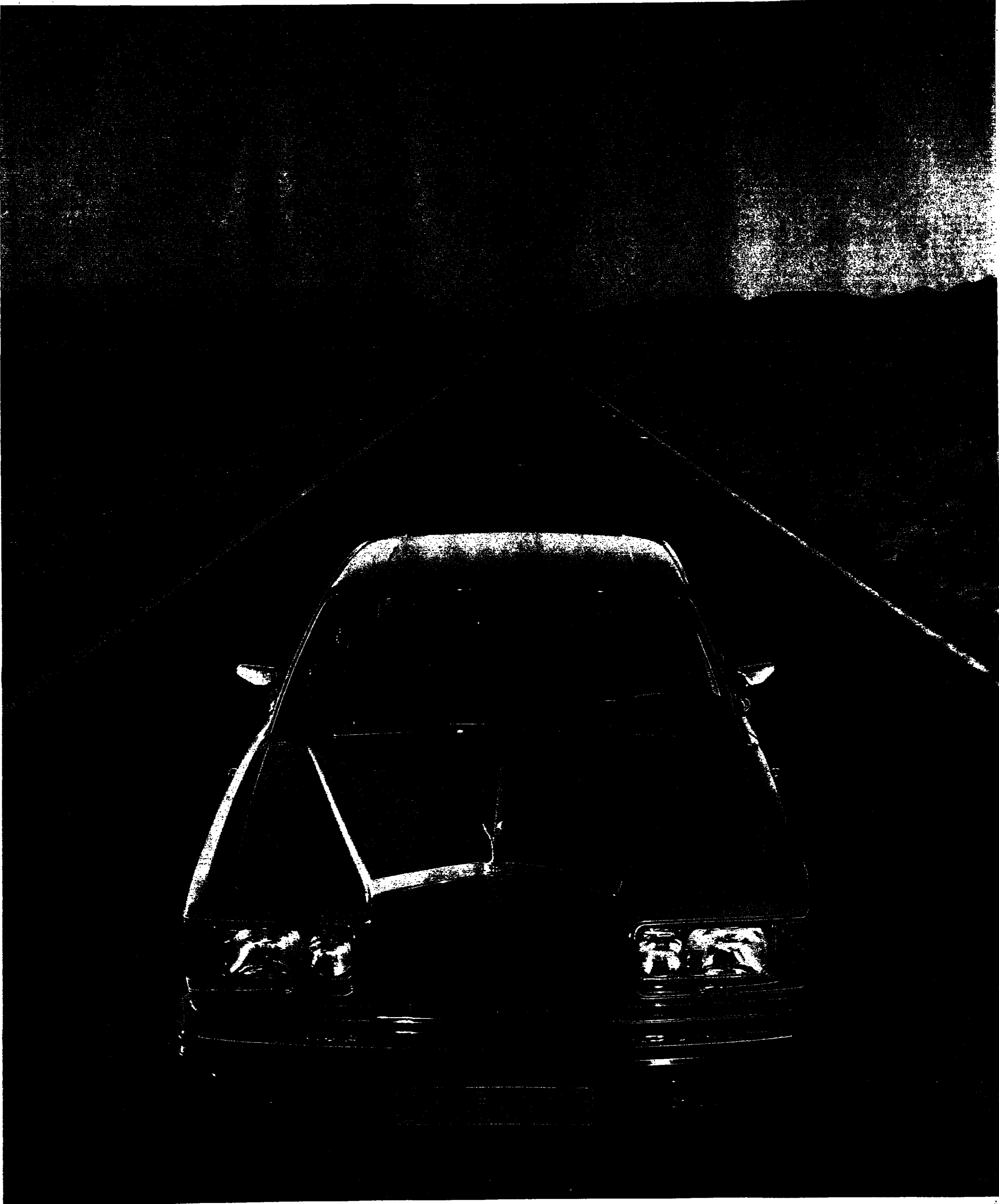


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Tomorrow: some things that haven't changed.



TECHNOLOGY

EDITED BY ALAN CANE

Americans are thinking again about elementary school computing. Louise Kehoe reports

What price the school microcomputer?

DO YOUNG CHILDREN really benefit from the use of computers in the classroom? It is a question that is being raised in the U.S. where an estimated 13 per cent of public elementary schools already have computers and more are planning to buy them despite shrinking education budgets.

With U.S. schools expected to spend a total of \$1.5bn on computers by the end of 1985, a group of educators in California led by Dr A. Daniel Peck, Professor of Education at San Francisco State University and a specialist in education technology, are mounting a campaign against what they see as the misuse of public school funds to purchase computers.

They create more. After untold wasteful expenditure of huge sums of taxpayers' dollars.

"We are not anti-technology in the classroom," says Dr Peck, "but we believe that the general purpose microcomputer is overkill."

Instead he would like to see more use of dedicated computers—such as Texas Instruments' range of learning aids including the speak and spell and speak and read units, or more powerful machines specially designed for classroom use.

"Today's microcomputers are model Ts. I want to see some progress in the design of school computers before more money is spent," says Dr Peck.

Standard computers are too complicated for small children—they get in the way of the learning process, says Dr Peck. He criticises their keyboards—an unnecessary complication—slow reaction times, damaging sensitive disks, and maintenance problems.

But "dedicated computers for use in education will inevitably

cost more than those designed for a wider market," says Mr Kent Kehrberg, manager of instructional systems development at the Minnesota Educational Computing Consortium, a pioneer group in the development of educational software.

Schools in Minnesota have more than 3,000 Apple computers, 500 Atari 400 computers and about 1,000 other machines, according to Mr Kehrberg.

are also familiar with computer technology. An exception is Ann Piestrup, chairwoman of the Learning Company in Portola Valley, California.

The company has developed some highly imaginative and innovative programs for use by young children—either in the school or the home.

"The privileged child will have access to computers at home," says Ms Piestrup. "I would like to see the public schools giving all children the opportunity."

According to Dr Peck and his "ad hoc committee on basic education" the money would be better spent on basics.

"Money spent on computers is money wasted that could better be used in improving curriculum, teacher strengthening, greater basics emphasis, and utilisation of established simplified, dedicated techniques and technologies."

Dr Peck and his friends are taking a stand against the popular view that it is important to expose children to computer technology and use it to make them computer literate.

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'A micro in every UK school'

The responsibility for provision of school microcomputers in England, Wales and Northern Ireland lies with the Department of Industry. Every secondary school is entitled to half the cost of one of two machines, the BBC computer or the Research Machines 380Z. The DoI has a budget of £2m for this purpose. By the end of the year, it is expected that almost every school will have taken advantage of the scheme, although most schools believe that a single machine is inadequate.

The intention now is to extend the scheme to primary schools but final details have not yet been worked out.

Each school applying for a DoI micro grant has to make at least two teachers available for in-service training at one of 14 regional information centres established by the Department of Education and Science. The DES is providing £3.5m a year over three to four years to help set up centres which will offer training, information and act as points of contact for school microcomputing.

The cost of the centres is met partly by the local education authority and partly by the DES. The DES has the principal responsibility for the practical side of educational computing—techniques of computer-aided instruction, educational software and so on. All local school microcomputing ventures have now been subsumed by the DES Microcomputers in Education Programme. The Scottish Education Department has made broadly similar provision.

The microcomputers will become dinosaurs relegated to the back of the classroom and unused, once the fashion for computers in schools wears off," the committee predicts.

The "back to basics" educators suggest that, historically, education has repeatedly been guilty of climbing on "fear motivated" bandwagons as panaceas to its problems. "Instead of solving problems

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Mercedes steps on the gas

BY JOHN GRIFFITHS

A FLEET of 15 Mercedes estate cars powered by hydrogen will take to the roads of West Germany at the start of next year.

The project is part of a West German federal research and technology ministry-funded programme to explore alternative fuels and other new vehicle technology. Ten of the cars will run exclusively on hydrogen, with the remainder adapted for mixed hydrogen/petrol operation.

It underlines the broad spread of long-term approaches being taken towards alternative fuels, and more efficient use of petroleum products, for when the world moves inevitably out of short-term oil glut towards scarcity.

These include small, very high efficiency diesels and ceramic turbine engines capable of running efficiently on a variety of low-grade fuels, as well as part- or wholly-electric powered vehicles.

Next year will also see Mercedes launch an experimental estate car using a "hybrid" internal combustion/electric drive system.

The chief interest with this vehicle is that it will be using a traction battery with a nickel-iron couple with twice the energy density of lead acid equivalents.

It has been developed jointly by Daimler-Benz and electric vehicle specialists Deutsche Automobilgesellschaft (DAUG). Nickel-iron is currently rated as offering one of the best prospects for reducing the currently huge performance gap between 1/2 engine and electric vehicles.

There is likely to be a lucrative market for whoever is first into the field with a "super-battery" at a competitive price. Price, rather than performance, is the main problem with nickel-iron. However, the Japanese are understood to be well down the road with reducing nickel-iron battery manufacturing costs—just how far may emerge when a UK Electric Vehicle Development Group visits Japan in September.

The all-hydrogen cars use a modified version of Mercedes' 2.3 litre four-cylinder injection engine, the main differences being mixture preparation and intake-manifold water injection. The "fuel tank" consists of low-temperature metal hydride storage units designed as tubular heat exchangers, to which exhaust heat is carried by water and which maintains intake pressure.

Filling by liquid hydrogen is clearly impossible because of its very low liquefaction temperature, so two types of experimental filling stations are being set up.

At two stations in Berlin, town gas, with its 50 per cent hydrogen content, is to be processed to extract 99.99 per cent hydrogen by means of a pressure swing adsorbent system. In Stuttgart, small systems will be set up to produce hydrogen from both gas and electricity, to test the possibilities of being able to refuel at the electrical socket or gas tap.

The immediately obvious practical drawback is the length of time needed to "fill" the tank under pressure: the project is aiming to get as "brief" as 10 minutes, although this would be a major improvement on the two hours of previous experiments.

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Producing fiche at 130 an hour

THE LATEST computer output on microfiche (COM) machines from Datagraphix uses thermally developed silver halide film for fiche production at rates up to 130 full fiche per hour.

This machine can take output direct from an IBM 360, 370, 300X and 4300, as well as the Andahl V6 and other IBM plus compatible systems, on line.

It can also work off line from tape. Unlike some of the earlier machines however, it imposes no computing load on the host at all, because all the conversion from output channel format to fiche writing format is carried out by the COM internal processors.

The data is converted into upper and lower case letters, numerals and symbols using a laser writing system producing high quality 12 x 12 x 1 or 5 x 7 dot matrix characters. There is also an integral projector that allows form designs to be printed on to the fiche at the same time.

Known as ARIS 2, the machine works from roll film and cuts each piece of film as required, immediately loading it on to the X-Y exposure platform.

The platform moves from page to page and at each station a 5 mW helium neon laser beam lays down characters at rates up to 80,000 per second—dots are produced for matrix character writing by a split beam arrangement and acoustic optic modulation for switching.

After exposure the fiche moves on to a heating drum where development occurs in about 10 seconds without the use of wet chemicals. The dry, automatically marked with identifying bar codes based on data from the computer and an output unit on the developing section collates the fiche in a multi-pocket carousel collector.

Datagraphix points out that the fiche produced are not of archival quality—although they can soon be copied onto material that is archival if necessary. The new machine is aimed basically at applications where there is an objection to wet chemistry and where the fiche are active for a short period and are then no longer kept. More on 03447 5611.

GEOFFREY CHARLISH

Water pumps

A RANGE of piston-type metering pumps with Sinter or Duplex head forms at outputs up to 24.95 litres/hr per head at 56 bar and up to 65.25 litres/hr at 21 bar has been launched by Automated Water Conditioning. Full details from Unit 1, Pinfold Industrial Estate, Buckley, Chwyd, 0244 545161.

Sensor for mines

The National Coal Board took some advice from space technologists before it developed its instrument for use in mines.

The result was both an instrument which could measure the thickness of coal seams and a Queen's award for technology shared with Salford Electrical Instruments.

The sensor measures the very low levels of gamma radiation which emanate from the rocks surrounding the coal seam and uses it to determine the thickness of coal left behind at the roof of a coal face.

Salford Electrical Instruments at Eccles, Manchester, contributed to the project by designing the instrument so that it could function in the hostile underground environment.

Dr John Wykes, head of the Mining Research and Development Establishment's resources physics research group, said: "The crucial work was to show that the very low levels of gamma radiation penetrating the coal roof layer could provide accurate information fast enough to help steer the coal cutter."

Dr Wykes said that this

meant applying nuclear shielding research techniques.

The heart of the sensor is a large scintillation crystal which is sensitive to gamma radiation. Its signal output reduces as the coal seam thickens. Protecting the crystal was a problem and the MRDE asked engineers who had sent crystals to space how to do it.

Research work in the mid-70s proved that the very low radiation levels could be suitable for detecting seam widths in most parts of the country. The sensor is attached to the cutting machine which helps the machine operator minimise the danger of roof falls which could delay production as well as cause injury.

The sensor could be valuable as a step towards automation of coalface production since it could be linked into the cutting machines' control system to automatically stop at the right depth.

According to the research establishment the sensor gives the UK an important lead in progress towards coalface automation, and more than 100 sensors have already been sold overseas.

ELAINE WILLIAMS

HOW GAS HELPED GKN TO ENGINEER A 30% FUEL SAVING.

GKN Shardlow is among the world's largest manufacturers of fully machined diesel crankshafts, supplying automotive companies around the globe.

But until recently, GKN Shardlow was also the consumer of almost 5 million therms of gas per year, in forge and heat treatment furnaces and in general heating.

Consequently, they called in the Technical Consultancy Service of East Midlands Gas for some expert advice on energy conservation.

That advice ran to a 38 page report showing that most furnaces were operating less efficiently than they might. It recommended techniques such as ceramic fibre linings, high velocity burners, careful control of the air/gas ratio (rather like adjusting a carburettor) and extensive insulation.

As a result GKN Shardlow have already achieved a saving of almost 30% overall. But once the conservation work is

complete, this figure is expected to reach 42%. The case history is so impressive that GKN Shardlow have won the 1980 Gas Energy Management Award for industry. But in fact, the opportunities for such dramatic savings are by no means rare.

We can show you many other such case histories where large economies have been made. Because fuel conservation is not only in the nation's interest, it can also be highly profitable.

Perhaps you might take a look at your own use of fuel and

ask us for some expert advice on how to save more.

Then, in a year or two, your own dramatic savings may well be the subject of our latest award-winning case history.

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As the most successful companies have proved, a good environment is essential to efficiency. And people like living in this attractive corner of Britain.

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BBC 1

6.40-7.55 am Open University (Ultra High Frequency only) 9.27-11.50 For Schools, College 12.30 pm News After Noon 1.00 Pebble Mill At One 1.45 Chock-a-Block 2.00 You and Me 2.18-3.00 For Schools, Colleges 3.53 Regional News for England (except London) 3.55 Play School 4.20 The Drak Pack 4.40 The Littlest Hobo 5.05 John Craven's Newsworld 5.10 Blue Peter 5.40 News 6.00 Regional News Magazines 6.25 Nationwide 7.00 Tomorrow's World 7.25 Top of the Pops with Richard Skinner 8.00 It Ain't Half Hot Mum starring Windsor Davies 8.30 Sorry! (comedy series starring Ronnie Corbett) 9.00 Party Political Broadcast by the Liberal Party 9.05 News 9.30 Bird of Prey: A four-part thriller for the electronic age 10.20 Question Time with Sir Robin Day 11.20 A Kick In The Eighties starring Richard Stilgoe 11.45 News Headlines 11.50 So You Want to Stop Smoking

TELEVISION

Chris Dunkley: Tonight's Choice

Not a very promising evening. Radio 3's Coriolanus is a repeat of Ian Corterrell's production with Richard Pasco in the title role. Cyril Luckham as Agrippa, and Fabia Drake as Volturna. The only television programme that would stop me going out (assuming I had the choice) would be Episode 2 of Ron Hutchinson's computer fraud thriller Bird Of Prey on BBC1 which takes good advantage of an interesting selection of London locations. In the second of the Mick Burke Award programmes on BBC2 The competing films feature a 'kayak journey down the Fraser River in British Columbia, "the forbidden canyon" on the borders of Arizona and Utah, and a hunt for flying foxes in Ceylon. The winner of the trophy will not be announced until the end of the programme. Those who have been following BBC2's Heart Transplant will presumably want to watch tonight's penultimate programme, but I have found the inspiring and informative sequences too often ruined by gratuitous intrusiveness.

BBC 2

6.40-7.55 am Open University 11.00-11.25 Play School 5.10 pm The Bauhaus at Weimar 5.35 Weekend Outlook 10.50 Buck Rogers 6.00 The Great Egg Race 6.30 Sorry Mate, I Didn't See You 6.55 Carpton Time

7.00 County Hall 7.25 News Summary 7.30 Fancy Fish 7.55 The Mick Burke Award 9.00 Call My Bluff 9.30 Heart Transplant 10.10 The Old Grey Whistle Test 10.45 Party Political Broadcast by the Liberal Party 10.50-11.40 Newswight

LONDON

9.35 am Schools Programmes 12.00 The Woolfs 12.10 pm Get Up and Go! 12.30 The Sullivans 1.00 News with Peter Sissons, plus FT Index 1.30 Thames News with Robin Houston 1.30 Crown Court 2.00 After Noon Plus 2.25 Racing from Newmarket covering the 2.30, 3.10 and 3.40 races 3.50 The Cuckoo Waltz 4.20 Little House on the Prairie 5.15 Survival 5.45 News 6.00 Thames News 6.30 Thames Sport 7.00 Horace 7.30 Spooner's Patch 8.00 Falcon Crest starring Jane Wymann 9.00 Janet and Company, starring Janet Brown with special guest Derek Batley 9.30 TV Eye 10.00 Party Political Broadcast by the Liberal Party 10.05 News 10.50 Hill Street Blues 11.50 Ladies' Man, starring Lawrence Pressman 12.20 am What the Papers Say 12.35 Close: Sit Up and Listen with Mary Craig

BUSINESS LAW

The worst of a bad job

BY A. H. HERMANN, Legal Correspondent

THE Merchant Shipping [Liner Conferences] Bill introduces a measure of uncertain purpose and doubtful effect. The only thing which can be confidently predicted is that it will bring about an unprecedented degree of confusion into commodity contracts and result in a great volume of litigation. Mr Michael Shersby (Con. Uxbridge), said during the second reading of the Bill yesterday, the London and Liverpool commodity traders fear that the freedom and flexibility of their shipping arrangements will be badly affected. They also fear the disappearance from the London shipping market of the independent lines and with them the possibility of securing cheap, freight rates for their cargoes. They fear that their contracts will be frustrated by the bureaucratic sluggishness of the cargo allocating authorities in developing countries and by the identification of these authorities with the interests of the national produce exporting organisations. In contrast with commodity trade, shipowners, supported by the organisation of exporters and importers, see the Bill as the best of a bad job ("if you can't beat 'em, join 'em"). In fact, it will give legal respectability to the conference and their powers of self-regulation. It should not be overlooked that many countries adhering to the code wish to eliminate non-conference shipping altogether. The Bill would ratify and enforce in the UK the code of conduct for liner conferences signed eight years ago in Geneva as an aid measure designed to give legality and respectability to the developing countries' claim that their national shipping lines should have a 40 per cent share in conference trade. Neither the U.S. nor Canada, Australia, New Zealand and Japan have adhered to the code, though Japan may yet do so. The project took off at the fifth United conference, when the EEC made a deal with the developing countries. Later, on May 15 1979 the EEC Council adopted a regulation No 954/79 which specified conditions under which member states could ratify the code. The Bill is fundamentally a piece of enabling legislation which should be realised by regulations giving effect to the code in the UK. In this way the provisions of the code dealing with relations among member lines, between conferences and

shippers, with freight rates and other matters, will have the force of law in the UK in respect of conferences serving trade between the UK and other contracting states. Conferences which are not a body corporate will be enabled to sue and be sued in proceedings arising out of the code and judgments obtained in this way will be binding on the members of the conference and enforceable against any property held in trust for the conference and, as far as it appears just to the court, against any member of the conference. The code is extremely vague and nebulous even in crucial provisions—for example, it leaves open who will be the persons deciding about the admission of new members to a conference. The regulations made by the Secretary of State may, according to the Bill, clarify or supplement the provisions of the code. As each government adhering to the code will reshape it in this way by its regulations, the trade will be faced with a convention which will have as many meanings as there are countries adhering to it. The considerable shortcomings of the code are overshadowed by a failing so great that one suspects that it must be intentional. national shipping line is defined in chapter 1 of the code as a carrier which has its head office and effective control in that country and is recognised as such by an appropriate authority or under the law of that country. National authorities can, however, also recognise as a national shipping line a joint venture involving two or more countries, if the public or private interests of those countries have "a substantial share" in its equity and if its head office and effective control is in one of those countries. This loose definition will allow the formation of national shipping lines of many an African state relying entirely on the use of chartered Soviet ships; or of joint ventures between the UK and a developing country, with its management in London (and perhaps a citizen of the developing country on its board), which will advance to the national shipping lines the status of shipowners who, until now, have operated in competition with the liner conferences. It was this independent shipping or "freight" trade which relied for cargo space, available when needed, and often at half the rates charged by the liner

conferences. Once the pool of competitive shipping has been transformed into national shipping lines, and in this way has been assured of a 40 per cent quota, it will be able to raise its freight rates to the level of the liner conferences, of which it will become a part. The increase in freight rates is not the only, and possibly not even the greatest, danger feared by the commodity trade. The cargo-sharing provisions are likely to generate suspicion, friction and provide great scope for bureaucracy. It is feared that in many countries the cargo allocation mechanism will provide an opportunity for demanding bribes which will come on top of the increased freight rates. Moreover, shipments can be delayed by inefficiency or speeded up by design—for example, when the national shipping authorities, acting in collusion with the producers, declare that no space will be available after a certain date. The cargo reservation system, according to which 80 per cent is divided between the two trading partners and the remaining 20 per cent left to the shipping of third countries, will be applied only to trade with

developing states. Each EEC country will share its cargo allocation with the other nine members of the Community and with other member states of the OECD on a reciprocity basis. There will be no cargo sharing in the trade between the developed countries. The intention of the EEC Commission is to exempt liner conferences from the impact of the anti-monopoly Article 86 of the EEC Treaty, but the application of Community competition rules to shipping, now in the drafting stage, may bring some surprises. The exemption of shipping cartels from the EEC competition rules is in contradiction to the UK's demand that these rules should be applied to air transport. The code does not immediately hurt shippers using bulk carriers for grain, cocoa beans, phosphate rock, ore and oil, but at the UNCTAD meeting in March last year demands for a similar cargo-sharing code for bulk cargo—representing 80 per cent of world freight—were put on the table. It is right that the developing countries should be helped, but there seems to be no need to make the worst of a bad job.

RACING

BY DOMINIC WIGAN

ALTHOUGH fast ground riding may not be in her favour, Play It Safe, is on all known form, the one they all have to beat in today's One Thousand Guineas. Ridden by Lester Piggott, who is more than a little hopeful of recording his third success in this race, following the victories of Humble Duty (1970) and Fairy Footsteps (last year), Play It Safe seems to have all the necessary credentials to account for an otherwise sub-standard field. A consistent and top-class two-year-old rated on the same mark as England's flying filly Circus Ring in the 1981 international classifications, Play It Safe has already made up into a classic three-year-old judging by her win of April 6 at Maisons-Laffitte, where she cruised home in the Prix Imprudance after making all the running. It was a facile victory, but Play It Safe's jockey made it clear that anything but an easy success would not have impressed him when he said on dismounting that "she won as she should have against these." Of Play It Safe's 14 opponents Time Charter and Triple Tipple are the two I have most regard for. Time Charter, which had a busy time of it as a juvenile, left her two-year-old form well behind when trouncing Epithet by five lengths in Kempton's Masaka Stakes over today's trip. Triple Tipple ran on well to take third place in the seven-furlong Ladbrokes Nell Gwyn Stakes after getting outpaced at half-way. Whatever Piggott's fate in the £60,000 filies race, in which he will be out to land his 26th English classic a number so far bettered only by Frank Ruckle, for whom the 1792 Derby winner, John Bull, was the first of 27, he is unlikely to leave the course empty-handed. Forty minutes before the One Thousand Guineas, Mr Fluorocarbon is a confident choice to land him the Heathorn Stakes. NEWMARKET 2.00—The Edge 2.30—Mr Fluorocarbon** 3.10—Play It Safe*** 3.40—Pettistree 4.15—Shooting Butts 4.45—Thorn-down*

All IBA Regions as London except at the following times: ANGLIA 1.20 pm Anglia News, 2.00 Not For Women Only, 4.20 Palmatstown, 6.00 About Anglia, 6.20 Arena, 6.35 Crossroads, 10.50 Last Chance, 11.45 Lou Grant, 12.30 am A French Experience. BORDER 1.20 pm Border News, 4.20 Palmatstown USA, 5.15 University Challenge, 6.00 Lookaround Thursday, 6.25 Crossroads, 10.50 Pro-Celebrity Snooker, 11.35 Bizarre, 12.05 am Border News Summary. CENTRAL 12.30 pm The Young Doctors, 1.20 Central News, 4.20 Sport Billy, 4.45 Jason of Star Command, 5.15 Arthur C. Clarke's Mysterious World, 6.00 Crossroads, 6.25 Central News, 10.50 Venture, 11.20 Central News, 11.25 Thriller: "Murder Motel." CHANNEL 1.20 pm Channel Lunchtime News, What's On Where and Weather, 5.20

Crossroads, 6.00 Channel Report, 10.50 Life in France, 10.48 Channel 4 Life News, 11.50 Martin, 11.50 in Concert, 1.00 am News and Weather in French. GRAMPIAN 5.30 am First Thing, 1.20 pm North News, 5.15 Happy Days, 6.00 North Tonight, 6.30 Police News, 6.35 Crossroads, 10.50 Bizarre, 11.20 Supersat Profile, 11.50 Barney Miller, 12.20 am North Headlines. GRANADA 1.20 pm Granada Reports, 1.30 Evening News, 1.55 Brown Court, 4.20 Here's Boomer, 4.50 Little House on the Prairie, 6.00 This is Your Right, 6.05 Crossroads, 6.30 Granada Reports, 10.50 Benson, 11.25 What the Papers Say, 11.40 Late Night From Two. HTV 1.20 pm HTV News, 3.50 Square One, 4.20 Here's Boomer, 4.45 The Flying Kiwi, 5.05 Jobline, 6.15 Benson, 6.00 HTV News, 6.35 Crossroads, 10.48 HTV News, 10.50 Chelsea Dispatch, 1982 (the quarter finale), 11.20 Lou Grant.

HTV Cymru/Wales, As RTV West except: 3.30-3.50 am Wales and the Sea, 11.22-11.27 Yn Eu Cymru, 12.00-12.10 pm Muvst, 4.20 Murphy's Mob, 4.50-5.15 58r, 6.00 Y Dydd, 6.15-6.35 Report Wales, 10.50-11.20 Sports Arena. SCOTTISH 1.20 pm Scottish News, 4.20 Jingles, 4.50 Sport Billy, 5.20 Crossroads, 6.00 Scotland Today, followed by Action Line, 6.30 Benson, 10.50 Preview, 11.20 Maybe Tomorrow, 11.50 Search Light, 12.20 am Late Call, 12.25 Barney Miller. TSW 1.20 pm TSW News Headlines, 6.15 Gwa Honeybun's Magic Birthdays, 6.20 Crossroads, 6.00 Today South West, 6.20 Politics South West, 10.48 TSW Late News, 10.52 In Concert, 12.00 Postscript, 12.05 am South West Weather. TVS 1.20 pm TVS News, 2.00 Not For Women Only, 3.50 Square One, 5.15 Wed, 5.25 Today, 6.00 Coast to Coast (cont.), 6.35 Crossroads, 10.50 In the Mouth

of the Dragon, 11.20 Stumpet City, 12.20 am Company. TYNE TEES 9.25 am The Good Word, 9.30 North East News, 1.20 pm North East News and Lookaround, 4.20 The Lone Ranger, 4.50 Voyage to the Bottom of the Sea, 6.00 North East News, 6.02 Crossroads, 6.25 Northern Life with Tom Coyle, 10.50 North East News, 10.52 Job Slot Extra, 10.55 Beat of Three, 11.25 Come In... 11.55 Bizarre, 12.25 am Christian Hour... in the Solway. ULSTER 1.20 pm Luncheon, 4.18 Ulster News, 4.20 Palmatstown, 6.15 The Spoons of Pain, 6.18 The Tarran Lads, 6.30 Good Evening Ulster, 6.00 Good Evening Ulster, 6.25 Police Six, 6.35 Crossroads, 10.48 Ulster Weather, 10.50 Hill Street Blues, 11.50 News at Bedtime. YORKSHIRE 1.20 pm Calendar News, 4.20 Sport Billy, 4.45 Little House on the Prairie, 6.00 Calendar (Emley Moor and Belmont editions), 6.35 Crossroads, 6.55 Weather, Street Blues, 11.50 Crown Green Bowling.

(a) Stereophonic broadcast (when broadcast on vhf) RADIO 1 5.00 am As Radio 2, 7.00 Mike Road, 9.00 Simon Bates, 11.30 Paul Burnett, 2.00 pm Steve Wright, 4.30 Peter Powell, 7.00 The Record Producers, 8.00 David Jensen, 10.00-12.00 John Peel (s). RADIO 2 5.00 am Ray Moore (s), 7.30 Terry Wogan (s), 10.00 David Frost (s), 10.50 Diana Hunniford (s), 2.00 Ed Stewart (s), including 2.30 Party Political Broadcast by the Labour Party, 4.00 David Hamilton (s), 5.45 News, Sport, 6.50 Job Dunn (s), 8.00 Country Club with Wally Whymon (s), 9.00 Alan Dell with the Big Band Sound (s), including 9.55 Sports Desk, 10.00 The News Headlines, 10.30 Star

RADIO 3 6.55 am Weather, 7.00 News, 7.05 Morning Concert (s), 8.00 News, 8.05 Morning Concert (continued), 9.00 News, 9.05 This Week's Composer: Dufay (s), 9.45 Profusion Symphony No. 3 (s), 10.20 Trios for Tomor, Horn and Piano (s), 11.10 City of Birmingham Symphony Orchestra (s), 1.00 pm News, 1.05 Bristol Lunchtime Concert (s), 2.00 "Janus", opera in three acts by Janacek (s) (sung in Czech), 4.15 Flute and Bassoon recital (s).

RADIO 4 6.00 am News Briefing, 6.10 Farming Today, 6.20 Shipping Forecast, 6.25 Today, 8.25 Yesterday in Parliament, 8.57 Weather, 9.00 News, 9.05 Checkpoint, 9.30 The Living World, 10.00 News, 10.02 As It Happens, 10.30 Daily Service, 10.45 Bus Stop Glasgow (4), 11.00 News, 11.03 The Burt Scandal, 11.48 Enquire Within, 12.00

News, 12.02 pm You and Yours, 12.27 Brain of Britain 1982 (s), 12.55 Weather, travel, programme news, 1.00 The World At One, 1.40 The Archers, 1.55 Shipping Forecast, 2.00 News, 2.02 Woman's Hour, 3.00 News, 3.02 Bus Stop Glasgow, 3.15 Prime Minister's Question Time, 3.32 Interval followed by debate from House of Commons, 5.00 PM: News Magazine, 5.59 Shipping Forecast, 6.05 Weather, programme news, 6.00 News, including Financial Report, 6.30 Any Answers? 6.54 It's a Bargain, 7.00 News, 7.25 The Archers, 7.20 Concert Prelude (s), 7.30 BBC Scottish Symphony Orchestra in Striding, part 1 (s), 8.17 House of Commons debate, 8.18 Concert, part 2 (s), 8.58 Close of debate, 9.03 Your Move or Mine, 9.30 Kaleidoscope, 9.59 Weather, 10.00 The World Tonight, 11.00 A Book at Bedtime, 11.15 The Financial World Tonight, 11.20 Today in Parliament, 12.00 News.

Accountancy Appointments

ACCOUNTANCY APPOINTMENTS ARE CONTINUED ON FOLLOWING PAGE

FINANCIAL DIRECTOR Designate EAST MIDLANDS AREA £13,000 to £15,000 + CAR This is a demanding position with a rapidly expanding private Civil Engineering Company with offices throughout the U.K. The successful applicant will have financial control, and will be responsible for accounting systems within the group, including the duties of Company Secretary. A suitable person will be a qualified Accountant with experience of the engineering industry and will be able to operate effectively at all levels within the group management team. Preferred age is between 35 and 45 years. Please reply in confidence giving concise details of previous experience to: MB MANAGEMENT SERVICES 28, Hansons Bridge Road Erdington Birmingham B24 0PA

Financial Accountant Up to £12,000 p.a. plus bonus Top Shop, a womenswear division of the Burton Group, is a major fashion-chain with an impressive record of growth and profitability. We are seeking an ambitious graduate chartered accountant for a newly created financial accounting role, which carries direct responsibility to the Financial Controller. If your accountancy career shows a move from professional practice into commerce and industry you'll already be familiar with the basic responsibilities of the position - principally general ledger preparation, review and income statement and balance sheet preparation. You will also need the ability to create and implement reporting procedures at the highest level and possess the personal qualities necessary to motivate and manage staff. If you'd like to be considered for this role, and for the career development we anticipate it leading to, please write with full career and personal details to the Personnel Manager, Top Shop, 214 Oxford Street, London, W1A 2LP. The Burton Group

Financial and Management Information Systems Surrey There are two challenging opportunities in the Hotels and Holidays Division of The Rank Organisation which is one of the biggest holiday companies and stretches across the UK and Europe, incorporating traditional holiday centres, caravan parks, luxury hotels, villas, tour operating and marinas. Our positive commitment to growth demands the highest levels of efficiency and profitability through effective business systems. Work will be concentrated on the Butlin Group and Rank Hotels, but there will be liaison with other parts of our Division. So the two new positions we're seeking initially for our Management Services Team, based at Weymouth, near Croydon, must combine numeracy with creativity and a representative background in accounting applications, preferably utilising computer systems. The Executive position would suit either a qualified accountant or a numerate graduate. Experience of the hotel or holiday industries would be a definite advantage, and previous involvement in the establishment of a computerised accounting system would be preferred. Salary c.£13,000 plus car. The second position would interest an accountant who is not necessarily qualified, but who has sound experience of the industry. Salary c.£10,000. Both positions open to men and women, offer a valuable range of benefits. Opportunities for personal career development exist within Hotels and Holidays as well as within other parts of the Rank Organisation. Please write or telephone for an application form and job description to Mrs. S.M. Nicholls, Group Personnel Executive, Butlin's Limited, 441 Oxford Street, London W1A 1BH. Telephone 01-629 6616.

COST AND MANAGEMENT ACCOUNTANT - KUWAIT TAX-FREE SALARY OF KD10,000 CURRENTLY EQUIVALENT TO £19,000 PLUS ACCOMMODATION, CAR AND OTHER BENEFITS An expanding major Kuwait commercial and engineering group with a qualified accountant by the appointment of a Senior Cost Accountant for its principal Contracting Division who will report to the Chief Financial Officer and Divisional Director. Applicants must hold a recognised British accountancy qualification (ACMA, ACA or ACCA) and have several years post-qualification experience, preferably as a Cost Accountant with exposure to stores accounting, contract costing, financial and management accounting in a computer environment. The successful candidate who will probably be between the ages of 30 and 45 years must have the ability and an aptitude to influence the direction of the business and the shape of new computer-based systems. The terms of employment include renewable contracts of 2 years' duration, free passage to and from Kuwait, bonus rent allowance of KD 450, per month currently adequate to provide a modern apartment, an interest-free furniture loan, a free temporary car and an attractive tax-free salary which should provide ample opportunity for exportable savings. Applicants should provide full details of the qualifications, training, experience, and include a recent passport type photograph. All letters will be acknowledged, and interviews will take place in London in June 1982. Please write in confidence to: PETER ROSSER ASSOCIATES (W12) PO BOX 100, WEYBRIDGE, SURREY KT13 0DX

GROUP TAXATION MANAGER TI is a British based engineering group with sales of over £1 billion and has extensive overseas interests. It is intended to make this new, senior, appointment which will require a man or woman who can make a positive contribution advising Group management on the tax implications of forward strategies and planning, both at home and overseas. Applicants, probably aged 30-40, preferably should be qualified accountants with a degree who have had broad specialist taxation experience both in the profession and in industry. Experience of both U.K. and international tax matters is essential. Initial salary up to £20,000, plus a company car and appropriate benefits. Base is Birmingham. Confidential applications, including a CV, should be sent to: Deputy Director of Personnel, Tube Investments plc, T1 House, Five Ways, Edgbaston, Birmingham B16 8SQ.

CONTINENTAL CAN CO (UK) LTD MANAGER—FINANCIAL REPORTING AND ANALYSIS £15,000—£18,000 CCC (UK) is the UK subsidiary of the Continental Group Inc. (USA), the world's leading packaging company. We are looking for a person with an extensive financial background to fill the above position. Responsibilities include reporting and analysing the company's financial performance, co-ordinating and developing budget, strategic planning as well as certain treasury functions. You will be either a chartered/certified accountant or an MBA, with 5-10 years' experience. You will have the potential to replace the present director of finance in 24 to 36 months. Experience in a U.S. company environment would be a definite advantage. Other benefits include 21 days' holiday, company pension, life assurance and sickness benefits. Please apply in confidence to: Director of Finance CONTINENTAL CAN CO. (UK) LIMITED Coburg House, Sheet Street, Windsor, Berkshire SL4 1BG

MANAGEMENT ACCOUNTANT Leading shipowners mutual insurance association in the City requires a Chartered Accountant with approximately 8-10 years commercial accounting experience. In this role you will prepare management reports on all aspects of the company's financial affairs including international investments, credit control and cash flow. In addition you will be closely concerned with audit work in connection with the company's end of year accounts. You will be directly responsible to and will work in close liaison with the Finance Partner. An excellent salary in the region of £16,000 negotiable will be paid to the right candidate. Please reply to: Box A.7839, Financial Times 10, Copson Street, London, EC4P 4BY

BRIGHTON POLYTECHNIC Lecturer II/Senior Lecturer in Accounting & Finance To lecture on the BA(Hons) in Accounting & Finance and other courses provided by the Department of Finance & Accountancy. Applicants should have a relevant degree preferably a professional qualification, and a post-graduate experience at an appropriate level. An interest in Financial Management and investment would be an advantage. Recent experience in the use of computers, and some teaching or training experience (not necessarily full time) would be helpful. Research and consultancy are encouraged. Salary: Lecturer II £6,462-£10,431; Senior Lecturer £9,824-£12,141. Further details and an application form may be obtained from: The Deputy Head of Personnel BRIGHTON POLYTECHNIC Moulsecoomb, Brighton BN2 4AT Tel: Brighton 01225, Ext. 2537 Closing date: 7 May 1982

Accountancy Appointments

Financial controller

North London, c£15,000+car



For a well established specialist engineering group with an annual turnover around £5 million, currently bidding for international turnkey contracts.

Reporting to the Financial Director you will assume responsibility for the fully computerised group accounting function, managing staff at 2 locations. There is an emphasis on project control and surplus funds investment, with the increasing international business providing excellent experience of currency management.

Now in your 30's you should be a qualified accountant with a successful track record. Experience of the engineering industry would be useful.

Résumés including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref. B038.

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Young Auditors

Combine the experience of
the City with the charm
of the Channel Islands.

We are offering two recently-qualified accountants a perfect opportunity to acquire the right experience in the finest surroundings. In addition to the environmental advantages, you will be working in the finance industry - the Channel Islands' fastest growing business sector.

The experience to be gained in the audit department would be interesting and varied, including commercial and manufacturing companies, but because there is obviously a leaning towards clients operating in the local finance industry, it would be desirable if both accountants have experience of financial audits. A knowledge of trusts would be a distinct advantage.

Although based in Jersey you should expect to work on Guernsey some of the year and to travel abroad on the practice's overseas business.

Salaries will be comparable with those paid in London, yet maximum income tax is only 20%. Naturally this gives you the opportunity to save in the medium term. For the energetically-minded, the practice also has an active sports and social club. Initial interviews will be held in London in mid May. For more details, please write or telephone Philip Johnson on 01-248 2913.

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UK & INTERNATIONAL APPOINTMENTS

CHIEF ACCOUNTANT £15,000+
New position offering growth potential and immediate challenge to a fully qualified Accountant, 28-35 with sound manufacturing/technological background. Gradually taking full control of financial management and 30 strong department within a specialist division of the multi-million group. Experience within contract/export environments useful. SOUTHAMPTON

ENERGETIC AUDITOR £12,000 package
A major U.K. energy company is currently seeking a young newly qualified Chartered Accountant to join its audit department. The successful candidate will be involved in auditing various joint venture projects and the company's Belgian subsidiaries. Knowledge of French and previous oil audit experience would be useful. C. LONDON.

CHIEF ACCT £12-18K
A very successful company in the service sector are seeking a competent and highly motivated graduate accountant to take full charge of the finance function. Aged 30-35 with excellent all round experience including computers, and the ability to make a positive contribution to the management team. WEST LONDON.

FINANCIAL CONTROLLER c£13,500+
A progressive company in the systems field are seeking a self-motivated accountant aged 27-35 with sound experience gained in a manufacturing environment. Previous exposure to government contracts, computer based systems and staff control would be an advantage combined with a heavy emphasis on management accounting. N. SURREY.

DIVISIONAL ACCOUNTANT £13,500
Major U.K. group offers quick progression to Chief Accountant for an ambitious self-starter with 2 years PQE in industry/commerce. The broad specification covers monthly reporting of performance, constant review of financial position, budgets, forecasts and systems development. MIDDX.

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ROBERT HALF

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up to £20,000 plus car

South East

Qualified accountants with first class management skills in a services environment will be attracted by this opportunity with a leading technical consultancy and services group. With a turnover of around £20 million the group has an excellent track record in supplying specialist services on U.K. and overseas contracts.

The immediate task is to take charge and run the accounting function on a cost effective basis while giving particular attention to the individual needs of the operating companies. Personal qualities are vital, not only for managing the accounting team of over twenty, but also because of the importance attached to developing a rapport and communicating effectively with Board members and senior personnel with the group.

Previous experience of computerising an accounting function is essential. Ability to advance further within the next five years is important. The age indicator is ideally 30 to 45. Salary is negotiable up to £20,000 plus car and attractive benefits package. The location is Northern Home Counties.

Write or telephone for an application form or send brief c.v. to the address below, quoting ref: AA59/7957/FT on both letter and envelope and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

Norwich Union House, 73/79 King Street, Manchester M2 2JL

Tel: 061-236 4531



A member of PA International

LEASING-FINANCIAL ACCOUNTANT/CONTROLLER

West End Based

The Armo Financial Services Europe Group of Companies is currently undergoing a period of rapid planned expansion. The initial emphasis for growth in the Group's leasing activities is being directed towards the development of a comprehensive European portfolio.

There is now an exciting opportunity for an Accountant to join a small professional management team and make a significant contribution to the growth and direction of an expanding group of companies.

The main spheres of responsibility will be:-

- The establishment of computerised management and financial accounting systems for both UK and Swiss companies.
- The regular preparation of accounts to tight deadlines as well as budgeting and the preparation of operating plans.
- The development of effective portfolio administration system plus credit review and contract negotiation support.

We are looking for a graduate Chartered Accountant with several years' post-qualification experience - ideally in a finance/leasing environment. The preferred age range is 25-35. The successful applicant will have a developed interest in computerised accounting systems and will have the ability to make an effective contribution to the overall performance of the company.

The demands made on this job will be high, but so are the job satisfaction and material rewards. This is an exceptional opportunity to join an autonomous management team operating in a multinational environment and we offer a salary of c.£14K and significant bonus and mortgage subsidy. Other benefits include free family BUPA, excellent non-contributory pension and life assurance scheme. Four weeks' holiday and full relocation costs where necessary.

Send detailed C.V. or obtain an application form from:

ARMCO BRITISH NATIONAL
An Armo Financial Services Company
The growing name in insurance

Mr G. J. Soper,
Personnel and Training Manager,
Armo Financial Services
Europe, Westchester House,
Harlands Road, Haywards Heath,
West Sussex, RH16 1TD.
Telephone: Haywards Heath
(0444) 414177.

Company Secretary

CHESTER-£14000+

Applications are invited from qualified accountants for the position of Company Secretary to Crosville Motor Services Limited which operates public service vehicles in Cheshire, Merseyside and North and Mid Wales.

The Company Secretary together with a Traffic Manager and a Chief Engineer form a corporate management team under the General Manager. The successful applicant will be responsible for all accounting functions including finance, taxation, cost accounting and payroll. You will also undertake general secretarial duties and be responsible for the control of legal and property matters. The company is presently introducing a mini-computer as an aid to management, so a knowledge of computer applications is desirable. Applicants should be able to communicate at all levels.

The appointment carries membership of a contributory pension scheme. Benefits and promotion prospects are those associated with membership of a large group.

Applications giving full career details will be treated in the strictest confidence and should be sent to:-
D J Meredith, General Manager, Crosville Motor Services Limited, Crane Wharf, Chester CH1 4SQ.



CROSVILLE

GROUP FINANCIAL CONTROLLER

Location: Swindon c£14,000 + car

The Isis Group is a financially orientated group of companies operating in the fields of equipment hire and distribution, construction and property development. It was recently launched through a major management buy-out on the M. J. H. Nightingale 'OTC' market.

As part of the on-going development of the Group, a Financial Controller is required to further strengthen this forward looking management team. Reporting to the Group Financial Director, the Financial Controller will be responsible for the co-ordination, review and consolidation of financial information, including management accounts, financial accounts, forecasts and financial plans. He/she will also be responsible for certain taxation and treasury matters and will be involved in investment and acquisition appraisals.

The successful applicant is likely to be a qualified Chartered Accountant in his or her thirties, with both a strong professional background and broad industrial/commercial experience. As well as being able to demonstrate technical excellence, the successful applicant must also be able to communicate effectively. A salary of around £14,000 is envisaged. A company car will be provided, and in addition to the other usual fringe benefits, assistance with relocation will be given where appropriate.

Please write, giving brief details of qualifications and experience to date, or telephone for an application form to:



Alan J. Webber
Personnel Manager
ISIS INDUSTRIAL SERVICES PLC
Stratton Road, Swindon
Wiltshire SN1 2PT
Tel: Swindon 28223

Fast growing Manufacturing Company require FINANCIAL CONTROLLER/COMPANY SECRETARY

To direct and supervise the financial and accounting activities with the emphasis on accounting systems, planning and budgets, credit and collections, and financial business organisation.

The position will require a thorough knowledge of accounting and finance procedures, management ability, experience with computerised accounting systems. Suitable candidate must have recognised accounting qualifications and sound relevant experience.

Please write with full career details to:
Diane Gould

Cordon Bleu Kitchen Equipment Company
Bryggan Road, North Lynn Industrial Estate, King's Lynn, Norfolk

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Touche Ross & Co,

Hill House, 1 Little New Street, London ECAA 3TR. Tel: 01-353 8011

Finance Officer

c.£15,000

Bedfordshire

The Cranfield Institute of Technology is a unique university institution specialising in advanced teaching and applied research in technology and management.

We now seek an experienced Finance Officer to provide full accountancy services to all departments of the Institute, including budget formulation/control and monthly management accounts. Reporting to the General Secretary of the Institute you will control a staff of around 30.

Candidates, probably aged over 35 and with relevant professional qualifications, should have sound experience gained preferably in industrial or commercial companies. Knowledge of computerised systems is essential.

Salary will be in the range £14,000 to £15,500, but this may be increased for an exceptional applicant. Assistance may be given with relocation expenses.

Further details and an application form (to be returned by 28th May 1982) may be obtained from: The Personnel Department, Cranfield Institute of Technology, Cranfield, Bedford MK43 0AL. Tel: Bedford (0234) 75011, ext. 3336.

Cranfield

SAUDI ARABIA

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Salary Negotiable

A rapidly-expanding Saudi firm of Certified Public Accountants requires experienced Chartered Accountants holding British nationality and trained with medium/large firms for their offices in Jeddah and Dammam.

Attractive tax-free salaries are offered together with accommodation, transportation allowance and one month's annual leave with paid air fare.

Airmail detailed C.V. and salary requirements together with recent photograph to:

Staff Department, Dr. Mohammad A. Alamri,
Certified Public Accountants,
P.O. Box 784, Jeddah, Saudi Arabia. Telex: 400399 EKAB SJ.

AMBITIOUS NEWLY-QUALIFIED c.£11,500

A marvelous opportunity for a positive-minded newly-qualified accountant who has drive, initiative and articulation. Management and Financial Accounts and interest in Computer technology. Enormous potential. Excellent benefits.

Telephone Alan Barnett on 01-629 7835
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MILTON KEYNES

c. £15,000 + car

IBS is a young, ambitious public company manufacturing and marketing business computer systems using the latest techniques in microelectronics and computer programming.

We are seeking a qualified accountant (preferably ACMA) with several years industrial and commercial experience to assist the Finance Director in the introduction of an integrated costing system and to control a small accounts function. The position will appeal to a self-motivated, ambitious person, keen to be involved in a growing company.

Candidates aged 25-40 will join a young management team and will be expected to make a real contribution to the future of the company.

Please write with full career details to:

Graham Wylie, Finance Director,
Immediate Business Systems plc
3 Clarendon Drive, Wymbush,
Milton Keynes MK8 8DA

مركز العمل

Accountancy Appointments

GROUP FINANCIAL CONTROLLER

Due to the continued expansion of the Alexander Motor Group, we now have a requirement for a first class Financial Controller. Experience of the Automotive Industry would be a distinct advantage.

The successful applicant will be a qualified Chartered Accountant and based at our head office in Edinburgh. Assistance will be given with relocation expenses if required.

The salary is negotiable but will reflect the importance we place on this appointment and additionally we offer company car, pension scheme and BUPA.

Please apply in writing to:-

Mr W E Burns
Joint Group Managing Director
Alexanders Motor Group
154 Fountainbridge
EDINBURGH



TRUST ACCOUNTANT

We handle investments, trusts and other financial advisory matters for several major private companies and their pension funds, for the companies' proprietors and for their families.

We have a vacancy for a qualified Chartered Accountant with experience of trust accounts and of the applicable taxes.

This post would suit a recently qualified person who wants to develop a specialised career in this field. However, all applicants up to the age of 55 with the relevant experience will be considered.

Please apply in writing with full personal details, including age, qualifications, experience and career history to:

The Staff Manager (ADC 29)
ALDER INVESTMENT MANAGEMENT LTD.
14, West Smithfield, London EC1A 9JN

A FINANCIAL TIMES SURVEY ACCOUNTANCY THURSDAY 17 JUNE 1982

The Financial Times is planning to publish a Survey on Accountancy on the above date. The provisional editorial synopsis is set out below.

- 1. Introduction**
The accountancy profession is suffering from the recession, but it has shown itself to be resourceful and adaptable. An overview of the profession and its place in the economy.
- 2. Accountancy Standards**
Attempts are being made to restore the momentum of the standard-setting process, and to secure the position of the profession within a framework of self-regulation.
- 3. Accountancy Bodies**
In the past the various accountancy bodies have jealously preserved their independence, but now mergers are on the horizon.
- 4. The Big Firms**
Increasing competition among the big firms, aggravated by the recession, has led to problems over the strict professional rules on publicity, and several firms have been rebuked by the head of the Government Accountancy Service for their promotional activities.
- 5. Current Cost Accounting**
Compliance with SSAP 16 is being closely monitored and the standard is due to be reviewed after three years. In the meantime there are proposals to require companies to put their past sales and profit figures on to a "deflated" basis.
- 6. The Public Sector**
The debate continues over the role of the National Audit Office. Elsewhere the scope for private firms to audit local authority accounts has increased.
- 7. Small Firms**
While mergers have been common at the top end of the profession, at the other end thousands of independent small firms continue to practise. The effect of the political measures to boost smaller businesses.
- 8. Finance Directors**
Accountants have traditionally played an important role in the management of British companies. Now bodies like the 100 Group of Finance Directors are becoming more vocal.
- 9. International Relationships**
The growth of multinational business has brought new challenges for the accountancy profession, not least at the political level. A look forward to the World Congress in October.
- 10. Training**
Should accountants be trained by professional firms or within industry? Differences of view persist among Chartered Accountants.
- 11. Insolvency Business**
The wave of bankruptcies in the recession has produced intense activity in the insolvency departments of many accounting firms — but there has also been controversy about the activities of fringe liquidators.

For further information and advertising rates contact:

Carmine Leon or Gavin de Carle
The Financial Times Limited
10 Cannon Street, London EC4A 3DF
Tel: 01-248 8000
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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

Group Management Accountant

Central London Attractive Salary+car

Cope Allman International PLC is a diverse industrial holding company with an annual turnover of just under £200m, derived from interests in the Packaging, Leisure, Engineering and Fashion industries. The Group has operations in the UK, Continental Europe, North America and Australia.

Following the present job holder's internal career development move we now wish to appoint an energetic professional for the position of Group Management Accountant, reporting to the Financial Controller.

The job will involve responsibility for the preparation and interpretation of management control information for the Board, including budgets, period results and forecasts. This will involve close liaison with Divisional and Unit Financial Controllers both in the UK and overseas.

The man or woman that we are looking for will probably be aged 30-35, will certainly be fully qualified and must have a record of positive achievement in a financial control position at Unit/subsidiary company level. Previous experience within a multinational company, ideally with computerised financial reporting systems, would be a distinct advantage.

If you believe that you meet this specification and that you have the drive and enthusiasm required to contribute effectively to a small professional finance team, please write with full CV to:- David Garth, Group Management Development Manager, Cope Allman International PLC, 27 Hill Street, London W1X 8AS.



COPE ALLMAN INTERNATIONAL PLC



FINANCIAL DIRECTOR DESIGNATE

BANKING £25,000-£30,000+ benefits LONDON

ORION ROYAL BANK LIMITED, a City merchant bank and one of the leading houses in the capital and Eurocurrency syndicated loan markets with extensive international business, wishes to recruit a Group Chief Accountant with board potential. Reporting initially to a member of the board, the successful candidate's performance will be judged primarily on the following criteria:

- Accuracy and timeliness of external reporting
- Quality of financial information and advice provided to management
- Effectiveness in using the bank's on-line computer systems which employ database facilities
- Success in making the finance function contribute to the development of the bank as a whole.

Applications are invited from qualified accountants in the 35-45 age range with a background in the finance sector, preferably in banking. They should combine practical experience in the development of computerised systems with proven success in staff management. Please send a comprehensive career résumé, including salary history, quoting reference 2054, to W. L. Tait.

Touche Ross & Co. Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

A member of the Management Consultants Association.

MANAGEMENT ACCOUNTANT

Worthing, West Sussex

An old established and successful private group of companies manufacturing sports equipment and toiletry and chemists sundries require a qualified accountant, preferably between 25-35.

The successful candidate will take responsibility for computerising the accounting activities and developing and interpreting the management information systems of the group.

Initiative and the ability to communicate effectively at all levels of management are essential.

Board appointment is viewed as a natural progression and a commensurate salary package is offered.

Applications enclosing a comprehensive c.v. should be sent to:

H. W. FISHER & CO (Ref. PB)
Chartered Accountants
Acre House, 69/76 Long Acre
London WC2E 9JW

Financial Director

Barratt Developments Britain's major private house builder, has recently expanded its operation into the centre of London and has opened a new subsidiary based in Victoria.

An exciting opportunity exists for a Chartered Accountant seeking a directorship within a subsidiary of a major public company, with an outstanding record of growth and profitability.

Applicants are likely to be in their early-mid thirties with extensive commercial/industrial experience in all aspects of financial management.

This post commands a substantial salary plus profit sharing and generous package of company benefits.

Apply in writing, giving concise personal details to:

The Financial Director,
Barratt Southern Limited,
Barratt House, P.O. Box 5,
668 Hitchen Road, Luton LU2 7XJ



Barratt

Group Accountant

The Broseley Group, one of Britain's most successful volume housebuilders, requires a Group Accountant to be based at Head Office in Leigh, Lancashire.

The successful applicant, who will currently hold a senior position, must be fully conversant with group accounts, the provision of financial management information, cash flow and budgetary control techniques. The Company is currently updating its computer system with a view to improving its information services.

With responsibility for the overall finance function and reporting directly to the Board, the ideal candidate will be aged about 35, energetic, self-motivated and probably have experience in the housebuilding industry. Prospects are excellent and the person appointed must possess the drive and ability to merit a position on the Board.

The salary, related benefits and company car reflect the importance of this position.

Applications, marked Strictly Private and Confidential, enclosing full details of career to date, to: Mr. C. H. Birch,

Broseley

Broseley Homes,
33 Lord Street, Leigh, Lancashire WN7 1BY.

FINANCIAL MANAGEMENT Top-level oil industry appointment in London

The Supply and Trading arm of the British National Oil Corporation, based in London, is seeking a senior financial executive who, as a key member of the management team, and with a staff of about 30, will be responsible for:

- Advising management on finance and accounting matters, including taxation and insurance.
- Managing the financial and management accounting activities as an aid to decision-making while providing close financial control.
- Managing treasury activities including substantial foreign exchange dealings and deployment of dollar/sterling working funds.
- Providing EDP facilities in a wide variety of commercial and some technical applications. Initially these facilities will rely on a bureau service.

The successful candidate is likely to be a Chartered Accountant

with at least ten years' post qualification experience at subsidiary company and corporate management level in a substantial commercial or trading enterprise. This experience should include proven success in establishing financial management of a new business enterprise and in foreign exchange/liquid funds management. Some experience in all aspects of the job, perhaps as principal finance officer in an operating subsidiary of a multinational concern, is highly desirable.

The remuneration package matches the seniority of the appointment, and includes company car, pension and life assurance schemes, BUPA, liberal holidays and generous assistance with relocation.

Please send comprehensive c.v., quoting ref. FMAAM/FT to: The Personnel Manager, The British National Oil Corporation, 150 St Vincent Street, Glasgow G2 5LL.



The British National Oil Corporation

Management consultancy?

£12,000 to £18,000+ Just the salary - or a challenging career step?



To meet the growth in demand from our clients for consulting services in the fields of Financial Planning and Systems, we are looking for further outstanding graduate accountants with practical experience in either manufacturing or commerce.

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If you are a qualified accountant and

- are a graduate aged 28 to 34
 - have a record of success, ideally in more than one industry or commercial sector
 - possess an adaptable, creative and enquiring mind
- we can offer you a unique opportunity to develop the business and technical skills and personal qualities you'll need in your future career.

Résumés including a daytime telephone number to Executive Selection Division quoting Ref. F/20/66.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited management consultants

Shelley House, Noble Street, London EC2V 7DQ.

Pension Fund Accountant/Secretary c£12,000-LONDON

National Bus Company wishes to appoint an Accountant/Secretary for its self-administered pension scheme for hourly and weekly paid employees.

The position calls for a man or woman, probably in their 30's, able to maintain the accounts of the scheme and be responsible for the day to day management.

Applicants should have had experience in double entry book keeping, the preparation of trial balances and final accounts, and be familiar with current pension legislation. Some knowledge of computerised pensions records would be useful.

Applications to: Group Pensions Manager, National Bus Company, 172 Buckingham Palace Road, London, SW1W 9TN and marked "Strictly Personal".



NATIONAL

JOBS COLUMN

Resource exchange seeks 50 joint-venturers

BY MICHAEL DIXON

IT IS just as easy to fall flat on your face, observed James Thurber, as to lean over too far backwards.

That remark has often come to mind over the past 14 months because of this column's need to maintain a professionally upright stance towards an organisation called IREX. It was partly invented by the Jobs Column nearly four years ago in conjunction with a certain Michael Bretherton, and was thereafter fostered by the aid of well over 100 readers.

Known initially as the Resource Exchange, the project was intended to promote economic activity by using information technology to create a comprehensive market. The aim was to enable people all over the world to buy and sell and so fit together all kinds of productive resource — money, products and services or new ideas for same, work skills, manufacturing capacity, specialist advice and, indeed, any other element of a business.

Although a market of this comprehensive kind has long existed in economic theory, the problems of making one work in practice have been thorny and sometimes painful. So the IREX organisation has continued to need all the help it can get, particularly since its effectiveness will depend much on the quantity and range of "resources" which make use of

its matching service — in the form of publicity.

But its launch as a commercial venture in February 1981 posed a problem. Even though I have no material interest in the project, I cannot avoid feeling a certain parental involvement. Yet it would clearly be wrong for this column to view IREX more favourably than it does any other concern it might write about. So although Mr Bretherton has kept in touch about the venture's doings, I have leaned away from reporting any of them: until today.

Breaking the silence exposes me to charges of overbalancing in the opposite direction, of course. But IREX has just come up with an offer which not only might prove useful to several readers, but also illustrates the part the new service can play in developing more business activity.

In deepest Wimbledon lives a company of about 30 souls all told, called Climate Control. Owned by 62-year-old American Dave Rush, it makes up double-glazed components for buildings, using aluminium extrusions produced to its own designs, and sells them to construction firms and other "trade" organisations.

Mr Rush says the operation is at least breaking even if it turns over £12,500 a week, and if the bank paying-in records I saw last Friday are typical, Climate Control does a good

deal better than that. Further evidence was provided by the smiles of his staff who, if the break-even figure is bettered, each get a bonus. The best they have had in the company's 11 years of existence, I gather, amounted to 52.4 per cent of their wages.

Few people can ever have been more single-minded about anything than Dave Rush apparently is about the double-glazing business. It continues to flourish in North America where the great majority of homes have double glazing, he says. So it surely must have fine prospects here where the bulk of windows and even patio doors and such remain cold and single.

He claims that growth of demand in Britain has been deterred mainly by the unnecessarily high expense of most double-glazed components on the market. That very day the company had been approached by a builder wanting a particular unit sooner than the six weeks specified by his previous supplier, together with a price of some £460. Mr Rush undertook to supply the unit in one week for £301.

"On price alone, there's a whole pile of business, and employment, just waiting to be generated," he insists. So he is keen to expand production and sales, still exclusively wholesale, of Climate Control's patented products. But he does not want to do

this by extending his own company so that it becomes big and increasingly bureaucratic. Although preparing to double production at Wimbledon, his plan is to enter into joint ventures with about 50 other people able and willing to set up in residential centres elsewhere in Britain and first market and then also produce the same range of double glazing.

In return for half the equity of each satellite company, Mr Rush says, he would provide not only capital but also training in marketing and production for the proprietor and services including central purchasing of specified parts and materials.

"On that pattern, I reckon a factory of about 20 people — and all sorts of help are on tap for starting new businesses these days — could be up to £1m turnover pretty fast. But for safety's sake I'd better say something like at least £250,000 in the first year. I'd also better say I wouldn't enter into a deal with anyone unless their solicitors vetted and carried it through on their behalf."

The only problem is that although he would be willing to set up a few subsidiaries entirely from his own resources and employ people to manage them at about £10,000 salary plus bonus on results, he would much rather set up the satellites as joint-ventures with his associates putting in capital of their own.

And the sum they would need would be at least £40,000 for the smallest practicable venture, and around £100,000 for one which Dave Rush views as the optimum size. People able to back their ability to run a business with that sort of money are scarce.

Which is where IREX returns to the story. It has channelled the detailed proposals drawn up by Mr Rush to certain large financial institutions who are on its register of resources as would-be investors in new enterprises. As a result, the institutions have agreed to provide from £35,000 to £60,000 backing to people deemed suitable to set up the double-glazing joint ventures but who can find only £5,000 to £40,000 of their own.

In that case, of course, the institution concerned would want an appropriate percentage of the half of the equity not held by Climate Control. But this third-party backing which has been found and is now on offer through the new comprehensive market should surely open the prospect of starting one of the joint-venture businesses to people who would otherwise be denied it.

The only remaining problem is to find enough candidates able and willing to pursue the opportunity further. And here IREX has returned briefly to the parental knee of the Jobs Column. Interested readers

should contact Michael Bretherton at Snow House, 103 Southwark St., London SE1 0JF; telephone 01-453 0424, telex 25157 Smdwil G.

Overseas aids

OF THE raspberries which have been blown at this column, one of the loudest greeted its comment not long ago that people who go to work overseas are "entirely on their own." The rejoinder came from Expatriates International.

It was formed in 1979 by Keith Edmonds and Renee Anderson who met when working in Algeria and decided there was need of an independent agency on which expatriates could call for help. He now runs the UK branch from 62, Triton Road, London SE21 8DE; tel 01-670 8304 or 4411, telex 894583 Expats G. Miss Anderson runs the U.S. arm from PO Box 302 Williamsburg, Virginia 23185; tel (804) 220 1066, telex 804294 Spedex.

Meanwhile, Resident Abroad, a journal related to the FT which caters for expatriates from the UK, has just published a further source of help. It is "The Expatriate Survival Kit" which contains detailed information on potential problems ranging from tax to education. The kit, price £9.50, can be obtained from the journal at Grey-stoke Place, Fetter Lane, London EC4A 1ND.

INTERNATIONAL TRADE FINANCE

c. £15,000

A rapidly expanding finance institution engaged in a wide range of international trade finance seeks an Executive to assist in the continued development of their client base.

Candidates should have broad experience in the provision of finance for trade on an international basis. Personal qualities and ambitions should include:

- Strong entrepreneurial flair
- Confidence in client liaison
- Drive and self-motivation
- Desire for overseas travel

Our client offers the opportunity to assume early responsibility and proven ability will lead to a Board Appointment.

Applicants should telephone Nicholas Waterworth on 01-242-0965 or write to him at Banking and Finance Division, 31 Southampton Row, London, WC1B 5HY.



Michael Page Partnership
Recruitment Consultants
London Birmingham Manchester

Administration Director and Group Secretary

Northern Home Counties

c. £15,000 + car, profit sharing, etc.

Our client is a well known and successful specialist contracting and engineering group turning over nearly £15m. and with 1,000 employees.

As part of his plan for continued future growth, the Chief Executive has created the new position of Administration Director, who will also be Group Secretary.

You will be a qualified Chartered Secretary, probably aged 35-45, a natural doer rather than a delegator, and will work very closely with the Chief Executive in ensuring that the Group runs smoothly and efficiently.

Responsibilities will cover all statutory, legal and property matters, insurance, personnel, general administration, etc.

As well as being experienced in all these aspects, you must be flexible, practical, systems-conscious, career-minded, and capable of holding your own at Board level.

Terms are intended to be highly attractive and include a commencing salary negotiable around £15,000, profit-sharing, executive car, and other generous fringe benefits, plus removal expenses if necessary.

Please send a detailed cv, including contact telephone number, in strict confidence to Peter Wilson, F.C.A. at Management Appointments Limited (Recruitment Consultants), Albemarle House, 1 Albemarle Street, London W1X 3HF.

Tel: 01-499 4879.

Management Appointments Limited

Morgan Grenfell & CO. LIMITED.

Economist

We are seeking a young Economist, who wishes to make a career in merchant banking. The successful applicant will join our Economics Department which works closely with all the major operating divisions of the Bank. He/she will probably have graduated with a good economics degree within the last two years. However, applications will also be considered from undergraduates expecting to obtain a good degree this year.

Application should be made in writing and must include a detailed résumé of the applicant's academic career and subsequent experience to date in the case of any post-graduates applying.

Applications, enclosing a curriculum vitae, should be sent to: —
Mr P.M. Lefevre, Head of Personnel
Morgan Grenfell & Co. Limited,
23 Great Winchester Street,
LONDON EC2P 2AX

Tax Manager Surrey

Negotiable c. £20,000 plus excellent benefits package

The subsidiary of a multi million dollar international corporation, which is primarily concerned with the development of energy resources, wishes to appoint a tax manager. The position will involve corporate strategic tax planning, calculating the tax consequences of international exploration projects and assessing the tax implications of financing plans.

Candidates are likely to be graduates or professionally qualified, and must have had wide experience of international and UK corporate and personal taxation. They must be prepared to travel abroad for about 30 days every year.

Please write in confidence quoting reference 2259L, to A.P.G. Platt, 165 Queen Victoria Street, London EC4V 3PD.



Peat, Marwick, Mitchell & Co
Executive Selection Division

International Banking Officer

Financial Control Department City c. £15,000

Our client, a leading American bank, requires an International Banking Officer to take responsibility for the financial control of the activities of the rapidly expanding and diversified Money Management Group.

The successful candidate should be able to communicate effectively with all levels of management and it is anticipated that he/she will, in time, become the Deputy to the Financial Controller.

Applicants, male or female and aged 28-32, should preferably be educated to degree standard and hold an accountancy or banking qualification. Experience of banking or finance is essential as is a good working knowledge of Money Markets.

To apply please write with personal and career details to Mike John, quoting ref: IB/502/FT, at the address below. Please list separately any companies to which your application should not be forwarded.



CONFIDENTIAL REPLY SERVICE
Benton & Bowles Recruitment Limited,
197 Knightsbridge, London SW7.

U.K. Investment Analyst

County Bank has a vacancy for an investment analyst to join an established research team whose role is to aid the formulation of investment policy for its institutional portfolios. Total funds managed or advised have a market value in excess of £2bn.

The successful candidate is likely to be aged between 24 and 35 and will have a good degree or professional qualification, together with experience either of the OIL or FINANCIAL sectors of the U.K. market. An attractive remuneration package will fully reflect the importance of the position.

Please write, enclosing full details of experience, qualifications and current salary, to:

Mark Forrester,
Assistant Director (Personnel),
County Bank Limited, 11 Old Broad Street,
London E.C.2.

COUNTY BANK

National Westminster Bank Group

Recruitment Consultant

London

For an established generalist management recruitment consultancy now poised for expansion. Applications are invited from successful recruitment consultants with previous managerial experience in commerce or industry, and preferably a degree or professional qualification. The main requirements will be proven performance in obtaining new business and executing assignments, the poise and presence to deal with senior executives, and the ability to contribute rapidly to profits. A flexible remuneration package, tailored to individual needs and including profit participation in the short term is negotiable.

Applications to the Managing Director.



Mervyn Hughes Group
Garfield House, 86-88 Edgware Road, London W2 2EA
Management Recruitment Consultants

01-258 3725

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ARE YOU

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- (d) Young enough to be excited by a key role in a new dynamic venture within a long-established Group?

BUT —

- (e) Not wholly convinced that your present position affords you the challenge and the chances that you would wish?

then we are interested in talking to you—we won't need to explain the Security, but we will explain the opportunities.

Full cv please, in total confidence, to:—

Miss Susan Boot
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Plantation House
5-8 Mincing Lane
London EC3M 3JP



FINANCIAL FUTURES

GILTS EXECUTIVE. Expanding firm of Securities dealers/Financial Futures brokers requires an Executive with a strong client base, to act as an Account Executive/Broker in Financial Futures. A substantial salary package is offered, with a basic in the region of £20,000.

PRINCIPAL DESK BROKER. To assist in the establishment of a Financial Futures department for a Commodity brokerage. Experience of both FX and Securities Dealing essential. c. £20,000 basic plus excellent profit share scheme.

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JUNIOR FX OR SECURITIES DEALER. To join a small team broking internationally in Financial Futures (the firm is owned by a major broking group). Age 24/25. Salary c. £10,000 basic.

For further details of these positions, please telephone Robert Kimball in complete confidence on the number below.

CHARTERHOUSE APPOINTMENTS 01-481 3188

Europe House, World Trade Centre, London E1

Director CONSTRUCTION INDUSTRY

A successful middle-ranking building group with an established reputation for quality wishes to appoint a Director to control and develop its:

Regional Offices
Product manufacturing operations
Activities in highly specialised building,
finishing, fittings and renovation.

This new position, which reports directly to the Chairman, carries extremely varied and extensive responsibilities. Applications are sought from mature senior executives with in-depth knowledge of the construction (or related) industry, and the ability to control and expand largely self-contained and already profitable businesses. High skills in business planning, man-management, financial control and client relationships are essential requirements. Full support will be provided by Group divisions covering marketing, sales, personnel, buying and finance.

Preferred applicants will be at least thirty-five with several years' achievement in running 'stand-alone' businesses. They will possess the character, presence and business acumen to command respect at all levels, in and outside the Group.

Salary will match the importance of this key post.

Please apply in writing, detailing career, current salary and other benefits to:

D.R.M. Gundry, Director
John Fowler & Partners Ltd
44 Calverley Road, Edgbaston
Birmingham B15 1TH

Please attach a list of any companies to whom you do not wish your application forwarded.

**John Fowler
& Partners Ltd.**

CITY TREASURER £24,750-£26,289

The City, population approximately one million, is the largest Metropolitan District Council. It employs over 50,000 people, has a rateable value of over £160 million and a turnover of about £700 million. Its traditionally prosperous manufacturing industry has recently suffered severe setbacks and there is an enormous range of problems to be solved by the City and its Council. Birmingham now needs somebody with vision and drive to be its Treasurer.

The Treasurer's Department employs approximately 1,100 staff and is responsible for the administration of all the financial affairs of the Council including the Council's Computer.

Applicants, male/female, should be able to demonstrate substantial achievements and experience in public sector financial management. Application forms (returnable by 14th May, 1982) and further details may be obtained by telephoning 021-235 3748 or by writing to:-

City Personnel Officer, Personnel Department,
Snow Hill House, 1 and 19 Barwick Street,
Birmingham B3 2PF.
Curriculum vitae will disqualify.

**BIRMINGHAM
CITY COUNCIL**

Antony Gibbs & Sons, Limited Corporate Finance Executives

Antony Gibbs and Sons, Limited, the London merchant banking member of the Hongkong Bank Group, is looking for executives aged 24-28 to join its Corporate Finance Department.

The requirement is primarily for graduates who will be either chartered accountants or numerate lawyers with at least two years relevant experience.

The work will cover all aspects of domestic and international Corporate Finance and prospective candidates should be willing to travel. A substantial part of the Department's work is connected with the Middle and Far East.

Attractive salaries, which will depend on experience, will be negotiated.

Applications, which will be treated in complete confidence, should be sent with a full curriculum vitae to:
C.E. Fiddian-Green,
Antony Gibbs & Sons, Limited,
3 Frederick's Place, London EC2R 8HD.

EXPERIENCED FUND RAISER/FINANCIAL ADVISER

Wanted to assist Manchester based entrepreneurs in launching new Private Hospitals. Initial sum to be raised is £2.25-£2.5 million. It is proposed that the funding is to be secured by Private Equity participation and preferential rights with yield of around 10-15% pa gross combined with equity growth. The principals are experienced private developers and institutional investors. The team of Advisors/Professionals currently retained comprise leading Accountants/Lawyers/Architects of unimpeachable reputation and integrity. Generous fees and finders fees payable for success.

Written applications please giving full details of career, background and experience in corporate financial affairs and fund raising, plus two professional referees and a personal banker's reference to:

Box A1944, Financial Times, 10 Cannon Street, London EC4P 4BY

Merchant Banking Lawyer

Samuel Montagu, as a result of the development and expansion of its banking activities, invites applications from qualified Lawyers to fill a new position in its Banking & Finance Division.

The successful candidate, probably in the age range 25 to 28, will be practising in the field of company and commercial law, principally in the banking area and will have had in-depth experience of documentation covering syndicated bank loans, guarantees and other financial market instruments. Applications are also invited from Lawyers who may already have moved out of the profession into banking 2 to 3 years ago and are now engaged in this type of work.

This position presents an exceptionally good career opportunity with the strong possibility of expanding the scope of the function, once established, and of building up a team over the next few years.

A competitive salary will be offered together with substantial benefits which include, inter alia, low interest housing loan, non-contributory pension scheme with free life assurance, profit-sharing and family medical cover.

Please reply in confidence with full relevant details to T.J.B. Locker:



Samuel Montagu & Co. Limited,
114 Old Broad Street, London EC2P 2HY

SENIOR FINANCE MANAGER

West London c.£12,500 p.a.

Honeywell Information Systems is one of the world's leading computer manufacturers, and a progressive organisation with an outstanding record of growth and profitability.

As a direct result of promotion, we now wish to appoint a Senior Finance Manager to control our customer accounting departments. The prime task is to manage a large group responsible for billings, receivables, equipment accounting and information reporting in a sophisticated systems environment.

Our need is for a determined professional — not necessarily qualified — who can demonstrate broad accounting experience embracing a knowledge of the principles of revenues, costs, asset and liability accounting as well as financial analysis, clerical procedures and office administration. Ideally aged between 28-35 it is essential that you are a good communicator with clear leadership qualities, who can motivate a large team in a pressurised environment.

In addition to an initial salary of around £12,500 p.a. we offer a comprehensive range of fringe benefits. Prospects for rapid career progression for the right man or woman are genuinely first class.

Please write with full details of your career to date to: Sue Pitchers, Senior Personnel Officer, Honeywell Information Systems Ltd., Honeywell House, Great West Road, Brentford, Middlesex. Tel: (01) 568 9191.

Honeywell

Director and Chief Executive

Norcros Industry (International) Limited is the holding company for the overseas manufacturing companies of the Norcros Group with a consolidated turnover approaching £100 million. The companies are located in Australia, India, South East Asia, Africa and North America.

We now require a Director and Chief Executive to assist the Norcros Group Managing Director — International in monitoring and directing the activities of our existing operations and in seeking out and developing new business opportunities.

The calibre and experience requires the successful candidate to be in employment as a Chief Executive or equivalent in an industrial organisation with total responsibility for the operational effectiveness of subsidiary manufacturing companies overseas.

The appointment will be based on Reading and will call for considerable overseas travel. Applicants must be under the age of 50. The salary will be negotiable from £30,000 per annum. A car and the usual benefits associated with a large international organisation will be available. Previous applicants need not re-apply.

Write in confidence to: W. G. S. Tazzer, Administration Director, Norcros p.l.c., Reading Bridge House, Reading, Berks. RG1 8PP.

NORCROS

MARKETING EXECUTIVE

Laing Properties, one of the UK's leading property companies with total assets of over £250M, has a substantial programme of expansion through commercial and industrial property development at home and in North America. The balanced portfolio of shops (45%), offices (35%) and industrial (20%) is mainly of recent construction and is well spread geographically.

The Company is eager to promote closer working relationships with its investment partners and tenants using a variety of marketing techniques. In following this policy, Laing Properties is establishing a new post of Marketing Executive at its headquarters in Watford. Reporting to the Marketing Director, it will involve working with the Company's property development and management teams in the UK. The work will include qualitative market studies, analysis of trends which bear on the Company's investments and devising policies to respond to them, advertising and promotions, briefing and controlling external consultants.

The successful candidate, probably aged 25-30, will have a good degree in a relevant subject, such as economics or business studies, and 3 to 5 years practical marketing research experience in at least one commercial or financial company. Importance is attached to the ability to communicate orally and in written reports, to work well in small teams, and to organise the substantial workload.

An attractive salary, company car and pension and insurance benefits are offered.

Please write to:
Company Secretary,
Laing Properties plc, 34 Clarendon Road,
Watford, Herts, WD1 1LL
Telephone: Watford 44255

**LAING
PROPERTIES**

Managing Director Aerospace

North of England c.£30,000

It will require exceptional qualities to succeed someone who has created an outstandingly successful company with an exemplary record of sustained profits growth.

We expect to find such talent in someone of no more than 40, a trained engineer with a career which includes at least 3 years in a profit responsible general management role. Experience of sub-contract precision engineering and familiarity with the world's aerospace business are essential and personal characteristics must show strong entrepreneurial instincts coupled with a natural ability to lead a team.

The company is independent, its financial position strong and its future seen in terms of growth and diversification. Please write or telephone, quoting Ref B2132.

Peter Nurse
Mason & Nurse Associates
Monaco House, Bristol Street,
Birmingham B5 7AS
Tel: 021-622 4841

**Mason
& Nurse**
Selection & Search

SENIOR FINANCE POSTS

West of London £11-15,000 p.a.

Our client, a rapidly expanding manufacturing company, has a number of vacancies for professional Accountants to contribute to the overall development of its finance function.

COST ACCOUNTING MANAGER

He or she will be expected to control, analyse and report on the manufacturing and engineering activities of the Company in addition to reporting on revenues and margins. It will be necessary to keep management fully informed of the cost effectiveness of the Company and the levels of inventory.

SYSTEMS DEVELOPMENT ACCOUNTANT

This position will involve the implementation and development of all financial systems in the Company. Where necessary, action will be taken to eliminate weaknesses in order that effective financial control can be maintained.

FINANCIAL ACCOUNTANT

This position will involve the timely preparation of monthly balance sheets, profit and loss accounts and financial reports for the Company. Commentary on the trend and variances shown in these reports is an integral part of the function.

The above positions are senior career posts and applicants will be expected to demonstrate proven ability to innovate, to operate independently and to meet deadlines. Previous industrial experience is required and a suitable accountancy qualification is strongly preferred. Salaries are negotiable dependent upon experience.

To apply write, enclosing full career details to:

Vivien Borrie,
Bastable Personnel Services (Recruitment Consultants),
18 Dering Street, London W1.

Please state in a covering letter any companies to whom you do not wish your cv. to be forwarded.

**Bastable
Personnel Services**

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Thursday April 29 1982

TREASURY MODEL—PART ONE

A tool, but not an oracle

By Samuel Brittan

A question of proportion

THE GOOD news about the Falklands dispute yesterday was that negotiations are still in train. A new Haig plan for a successful settlement—sometimes described in more elevated terms as a Reagan plan—is said to be under discussion in both London and Buenos Aires. Also, the air exclusion zone to be imposed by Britain around the islands will only go into effect tomorrow. The zone is, in effect, an extension of the naval blockade already in place. It suggests a rather more restrained escalation of the conflict than some have expected on the basis of Government statements earlier this week. It also provides a better backdrop to today's debate in the House of Commons than a war which has already broken out.

Weaknesses

The debate matters. It could very well be the last debate on the subject before hostilities commence. It is very important for the Government to state with more precision than it has done so far what its objectives are. It will be no less important for those with reservations—in whichever part of the House they sit—to make them known. One of the weaknesses of the Government's position is that, despite the coming and goings of Mr Haig's diplomacy over the past few weeks, it has never really said what it is about. We have been told that the Government is ready to compromise, but that this or that issue is difficult. Mrs Thatcher says sometimes that she is defending a principle, but which principle is not always clear. Is it the right of the Falkland Islanders to self-determination or is it that aggression must not be allowed to go unopposed? The Government owes it to the House and to the country today to say exactly what its objectives are. There must also be now a sheaf of proposals and counter-proposals. The Government needs to say that what they are and why particular proposals, sometimes apparently backed by

the Americans, are considered objectionable. It ought to make known its own negotiating position. Otherwise it will be asking the House of Commons for a blank cheque. That should not lightly be given.

Our own reservations continue to be about what they always were. We doubt whether the military exercise, if undertaken to the full, will turn out to be quite as surgical or as easy as some commanders suggest. More than that, the political objective, which ought to be behind any use of force is obscure. It is not at all clear what Britain would wish to do next even if an invasion of the islands were 100 per cent successful. It is a question of proportion: how many lives are worth risking in order to retake the Falklands and then to negotiate a settlement later?

Is self-determination enforceable? Above all, however, we continue to believe that the use of force on the scale now available would be supportable only if the last possibilities of a negotiated solution have been demonstrated exhausted. That is not the case at present. Even if the American mediation fails, the United Nations will remain. It was a revelation that, contrary to received wisdom, Britain has never formally offered to refer the Falklands dispute to the International Court of Justice in the Hague. That needs to be repaired at once. Other, not incompatible approaches, such as applying for UN Trusteeship, have been outlined in these columns, most notably by Justinian yesterday.

Aggression

Argentina is grievously at fault. About that there is no question. But the best way to deal with national aggression is to seek a better international order. To strike back with superior national force would not necessarily advance the cause which the Government claims to support. We are not yet convinced that diplomacy is finished.

A policy for the dollar

POST-WAR monetary co-operation between the U.S. and Europe came of age in February 1962 with the setting up of the first of a network of mutual credit lines to finance currency intervention by the Federal Reserve and European central banks. In spite of the ups and downs, notably under President Nixon and during the first half of the Carter presidency, the relationship was extended throughout the 1960s and 70s. This coincided with a period of détente of another kind, over East-West relations. It is therefore doubly ironic that, 20 years later and 15 months into President Reagan's government, transatlantic monetary co-operation has all but broken down.

Fluctuations

Not only has this happened at a time of rising East-West strains. The extra economic difficulties caused for Europe by fluctuations of the dollar and of U.S. interest rates have arguably soured the chances of accord within the Atlantic Alliance itself on common policies towards the Soviet Union. Exchange rate fluctuations since the beginning of 1980—a period in which the U.S. has largely refrained, on principle, from intervening on the foreign exchanges—have been extreme by any standards, both day-to-day and over longer periods. The volatility has partly mirrored the turbulent world political scene, which central banks can do little to control. But the reversible, self-correcting nature of recent swings suggests that timely and coordinated intervention by a number of central banks might have been successful in "smoothing" the peaks and the troughs within a more manageable range.

Between December 1980 and August 1981, for instance, the key dollar-D.M. rate rose by about 30 per cent, thereafter fell 10 per cent in the next three months and rose 10 per cent during the next six. The yen has been through similar, though not quite so pronounced, waves—as has the pound, though over a different time scale. Currency uncertainty is damaging in several senses. Apart from complicating the anti-inflation policies of low interest rate countries like West Germany whose currencies have faced unaccustomed depreciation, sharp fluctuations of the kind seen in the past year have impeded international trade and investment. Certainly, industry has

become more adept at covering future currency transactions using the forward markets, although it is impossible to insure against risks stretching much more than six months ahead. It would be foolish to pretend that central banks face an easy task in trying to control the exchange markets. The volume of official foreign exchange reserves now lags far behind the resources available to the private markets. With intervention alone, and in the absence of a more coordinated international policy on interest rates, central banks know they cannot hope to stand in the way of a fundamental market trend. The French Government and the EEC Commission have given some support to the idea of setting "target zones" for the dollar's fluctuations against European currencies. This may come up at this summer's economic summit in Versailles. But the suggestion does not look feasible at the moment.

Grand designs apart, central banks should not disregard the possibilities of action to calm disorderly markets over shorter periods. In particular, they must pay attention to tactics. One of the chief European objections to the U.S. non-intervention policy was the high-profile way it was announced in Washington, in almost belligerent fashion, depriving the authorities of the crucial element of surprise in their dealings with the markets.

Intervention

If central banks have the expertise to behave as benign counter-speculators, by buying dollars at the lows and selling at the highs—as the West Germans and Swiss have done over the last three or four years—they can earn substantial profits for the taxpayer. The British response of the last six months suggests that the authorities have selected a credible exchange rate, objective, backed up by an appropriate interest rate policy, stability can be achieved with little net intervention cost. Since European central banks are already intervening in dollars, a commitment by the U.S. to re-start intervention would not significantly affect the operation of domestic American monetary policy. It could however have a psychological effect in helping to lower currency fluctuations. Washington should have an interest in demonstrating that the price of a strong monetary policy does not need to be disorder on the exchange markets.

ALTERNATIVE PREDICTIONS WITH TREASURY MODEL

Table with columns for GDP, RETAIL PRICES, UNEMPLOYMENT, MONEY SUPPLY, PSBR, and AVERAGE EARNINGS, showing data for years 1981-1986 under Treasury, Variant A, B, and C scenarios.

Table with columns for GDP, RETAIL PRICES, UNEMPLOYMENT, MONEY SUPPLY, PSBR, and AVERAGE EARNINGS, showing data for years 1981-1986 under Treasury, Variant A, B, and C scenarios.

* "Central estimates." † 4th Quarter on 4th Quarter. ‡ 4Q/4Q deflator. § 2nd Quarter on 2nd Quarter. ¶ Applies to M1, Sterling M3 and PSL2 taken together. || Financial years.

TREASURY FIGURES are derived from the 1982 "Blue Book." Variant A is the Economist Intelligence Unit's own forecast made with the Treasury Model. The assumptions include a 3.5 per cent rise in world manufacturing exports (weighted by UK markets) in 1982 increasing to an average of 4.2 per cent in later years. The rise in earnings is an assumption rather than a direct forecast. The trade weighted sterling index is expected to fall from 88.7 in the final quarter of 1981 to 87.7 at the end of 1983 and 75.6 in 1986. A cut in the basic income tax rate from 30 to 27 per cent is assumed for 1983 and a VAT cut to 12.5 per cent in 1984. Variant B has been commissioned by the Financial Times on the assumption that productivity (output per head) will rise by an average of 2 1/2 per cent per annum over the whole economy, compared with the EU's 1 1/2 per cent. The non-price competitiveness of exports gradually improves to the equivalent of 3.5 per cent of export volume. Earnings rise by slightly less than in Variant A. World exports of manufactures are taken to be more depressed in 1982, rising by only 1 per cent followed by a gradual catching-up. Oil prices are assumed to fall this year to

response to slack labour markets and that companies plough back much of their improved profits and cash flow into fixed or working capital. It can be seen that unemployment falls to well below 2 1/2m by the mid-1980s. It would almost certainly fall further towards 2m if the tax cuts consistent with the financial strategy were made in the form of VAT reductions. My intention was to show the effects of more competitive labour markets with wages nearer market clearing levels. But others may ascribe some of these improvements to a hypothetical (and in my view unlikely) incomes policy in which the profits share is allowed to rise sharply from its present depressed level. The model cannot tell us which policy to try. Enquirers about the model are asked by the bureaux what assumptions they wish to make on a great variety of subjects; but in the case of, for instance, MPs, they often have to be helped out by advisers' suggestions. The assumptions which are made before the forecast is started are called "exogenous" and the variables which are themselves forecast by the model are called "endogenous." But the examples already cited show that the distinction is not always entirely clear-cut. Some of the items on which the user of the Treasury model

has to make his own assumptions are indicated in the text to the table. The examples are far from exhaustive. A user has to decide whether the money supply or interest rates should be taken as fixed by policy (they cannot both be) and whether the exchange rate is fixed or floating. He now has to decide how seriously to take the cash targets for public expenditure in the event of inflation rising faster than anticipated. He has also to decide whether simply to forecast the PSBR on conventional assumptions about tax uncertainty or whether to assume that the Government will intervene if the PSBR moves out of line with the published objectives. Some assumptions about World Economic Prospects can, if desired, be obtained from another Treasury model "WEP", although this is not in fact used by the EU. The main Treasury model contains alternative options for forecasting a number of important variables; for instance the money supply, interest rates and exchange rates. The model is extremely flexible and can accommodate a number of different judgments both about how the economy functions and how to modify equations in the light of past errors, new developments or policy changes without major re-programming. A "Type 1 Fix" overrides a forecasting equation entirely. A "Type 2 Fix" imposes a new judgment by less drastic means. Equations now "overridden" include those for earnings and prices, stocks, bank lending and Sterling M3—no less. Most important, but most difficult of all, the Treasury now tries to take account of "announcement effects." For instance a reactionary package likely to be seen as a major change of course would be expected to have a much more unfavourable effect on gilt edged prices, sterling and inflationary expectations than a mechanical adding together of the various elements would suggest. Such major effects might be signalled by the innocent-sounding warning that the effects are "non-linear" if large policy changes are made. Not all adjustments to the model involve high policy. There are many technical problems in solving a complex equation system; and several trial runs might be necessary to eliminate nonsensical or entirely implausible results, as I know from my own brief experience. The above enumeration surely makes it clear that there is no such thing as "the Treasury model" which can be applied mechanically to give pre-ordained answers. Anyone who takes a look at what is going on, and is not prepared to let an "expert" make his economic or political judgments for him, soon finds out that an crucial issue is how to tell the model far more than the model can tell him. The main uses of such models are (a) as research instruments, and (b) as tools for policymakers or forecasters prepared to do their own thinking. Part II will appear next Thursday.

first principles, some good will have been done. But it would be a pity if the baby were thrown out with the bathwater. For although these models are neither substitutes for thought nor economic versions of Old Testament prophecy, they can be useful tools when their limitations and nature are realised.

As a result of the "Bray Amendment," which was carried in 1975 when the Conservative Opposition voted with Labour rebels for largely opportunistic reasons, the Treasury was compelled to publish at least twice a year the main outlines of its forecast and also to make its full model available for a fee to bona fide outside bureaux.

The model contains over 1,000 variables listed by mnemonics such as "EOIL" (employment in North Sea Oil and Gas Extraction). It contains 650 equations and identities. An inner core of 250 of these are regarded as "behavioural" equations—i.e. they provide the key economic relationships. The Treasury has always emphasised that a good deal of judgment goes into the forecasts it produces either publicly or for Ministers; and outside users have to sign an undertaking not to claim that their applications of the model are genuine Treasury forecasts.

The table shows three runs of the Treasury model, apart from the Treasury's own figures. Variant A is that provided by the EU for the St James's Club in its new April forecast. As an example of the kind of judgment required, it has assumed a Tory-Social Democrat coalition from 1984, introducing a VAT cut to 12 1/2 per cent that year, a moderate increase in public expenditure and membership of the EMS at a lower exchange rate. Like many other consensus forecasts



Men & Matters

Energy men fall out

While Mrs Thatcher's thoughts are rightly with the Task Force to the virtual exclusion of domestic matters, the troops in the National Coal Board and the Central Electricity Generating Board will soon lose their leaders.

The doctored Sir Derek Ezra and the affable Glyn England will shortly be retiring from their posts as chairmen of—respectively—the NCB and the CEBG. Neither has been asked to stay on for a further campaign whatever rumours you may have heard.

The military analogy is pertinent. Whoever takes over will have to defend their rears against energy ministers who are openly critical of state-run industries. And face frontal attacks from environmentalists, anti-nuclear campaigners, not to mention that self-guided missile Arthur Scargill, the new miners' spokesman.

There is little wonder, too, in the energy industry that the government is having difficulties finding new chairmen in view of the present salaries—£51,000 a year in the case of the NCB and £45,000 for the CEBG boss.

Time has nearly run out for a CEBG appointment. England leaves next week. Fred Bonner, his deputy, is expected to take over as acting head.

Ministers are still confident they can find a chairman for coal by the time Ezra retires in July. But they have a fall-back position. Norman Siddall, deputy chairman, could fill the gap for a while.

That would be an interesting appointment. Siddall would be the first former coal face worker to reach the top. He went on to qualify as a mining engineer before turning to management. He has the advantages of an urban manner and an understanding of pit language: two useful



"I presume when you split up we will only get one third of the inefficiency!"

pieces of stock-in-trade when dealing with the Scargill militants.

Delayed action

Sheffield steelmen are detecting more sour grapes than grape-shot in the unexpected assault by Oliver Jessel this week on the management policies of Johnson and Firth Erwin, the steel and engineering group that he put together in the early 1970s.

Jessel's reign at the head of the group was brief. Two years after saving it from a takeover bid by Dunford and Elliott he sold his 40 per cent Johnson Firth Brown stake. His new critics at the JFB concentration upon steel, and its disposal of other interests, are seen in Sheffield as a long-term riposte at certain Sheffield men who helped him on his way.

That Jessel has kept silent about JFB until now might also have something to do with the fact that his former personal assistant Philip Ling, who stayed at JFB and became direc-

tor and general manager, is now about to move to the U.S. to manage associate companies there. Ling's departure will leave power at JFB firmly in the hands of the group chairman John Clay and Dr Donald Hardwick, chairman of the steel division.

With a business trip of his own to the U.S. imminent Jessel is turning aside questions of a possible comeback into the troubled world of steel.

Over drive

The complexities of the motor industry being what they are, it comes as no surprise to find that the wholly-owned subsidiary of a Japanese group will be shipping cars from Australia to Britain next year.

Ironically, the man behind the new venture, Michael Orr, was born in the heartland of the British motor industry, Kenilworth in the West Midlands. His father, Ted, was works director of Jaguar.

The urly and outspoken Orr started as an apprentice at Armstrong Siddeley but quickly moved to the sales side of the industry and worked for the BMW importer for a while.

In 1974 he put together a £200,000 package to acquire the franchise for Mitsubishi cars from Japan and called the new company Colt Car.

Just only 40, Orr became frustrated with the restrictions on car imports to Britain from Japan which have limited sales to around 10,000 a year—still enough for Colt to put up £100,000 to sponsor the Grand National one year.

Now he believes he has found the answer: shipping cars from Mitsubishi's plant in Australia. But this will be done by a new company, Lonsdale, not Colt. Orr won't say where the money for Lonsdale is coming from except that neither Colt nor Mitsubishi will contribute. However, he is chairman of Lonsdale, another Colt man will move in as managing

director and many of the Colt car dealers can be expected to handle the Australian products.

Banker bet

To be born with a silver spoon in one's mouth is not quite the thing in Hong Kong—a porridge spoon is much preferred.

Scottish birth, or at least a commission in the King's Own Scottish Borderers, rarely stands to a man's disadvantage in Hong Kong business life. W.E.B. Purves has the benefit of both, to say nothing of a financier's acumen which has already made him a general manager of the Hongkong and Shanghai Banking Corporation.

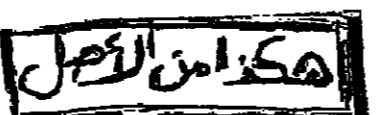
And it is Purves whose advance is the outstanding feature in the parcel of senior appointments now being announced by the Hongkong bank. From August, he becomes a main board executive director, with overall responsibility for international and Hong Kong operations.

It is the first time the bank has consolidated such powers in a single appointment, and makes clear that Purves, 51, is a power to be reckoned with in the upper echelons.

Of the Hongkong bank's senior men, Purves is among the best-known in the United Kingdom. For international business he has been his feet as general manager, and he was deputed to press the flesh on his home soil when Hongkong made its frustrated bid for the Royal Bank of Scotland. He had begun his banking career with the National Bank of Scotland in his native town of Kelso in 1948 at the age of 17 before moving to the Hongkong bank in 1954.

And higher yet? It is almost lese-majesté in Hong Kong to speculate about the inner workings of "the Bank," but outsiders reckon that the odds cannot be all that unfavourable.

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هكزان الاعمى

THE FALKLANDS CRISIS

Weighing the invasion option

By Bridget Bloom, Defence Correspondent

"OUR battle group is properly formed and is ready to strike" so three days ago said Admiral John Woodward, commander of Britain's naval task force in the South Atlantic.

His words fuelled speculation that, after the weekend's successful capture of South Georgia, the use of the task force against the Falkland islands themselves was imminent.

Yesterday's announcement that Britain would establish a complete air and sea blockade of the Falklands from midday on Friday reinforced this speculation. At the least it is a clear indication of the Government's determination to pursue a military option if necessary.

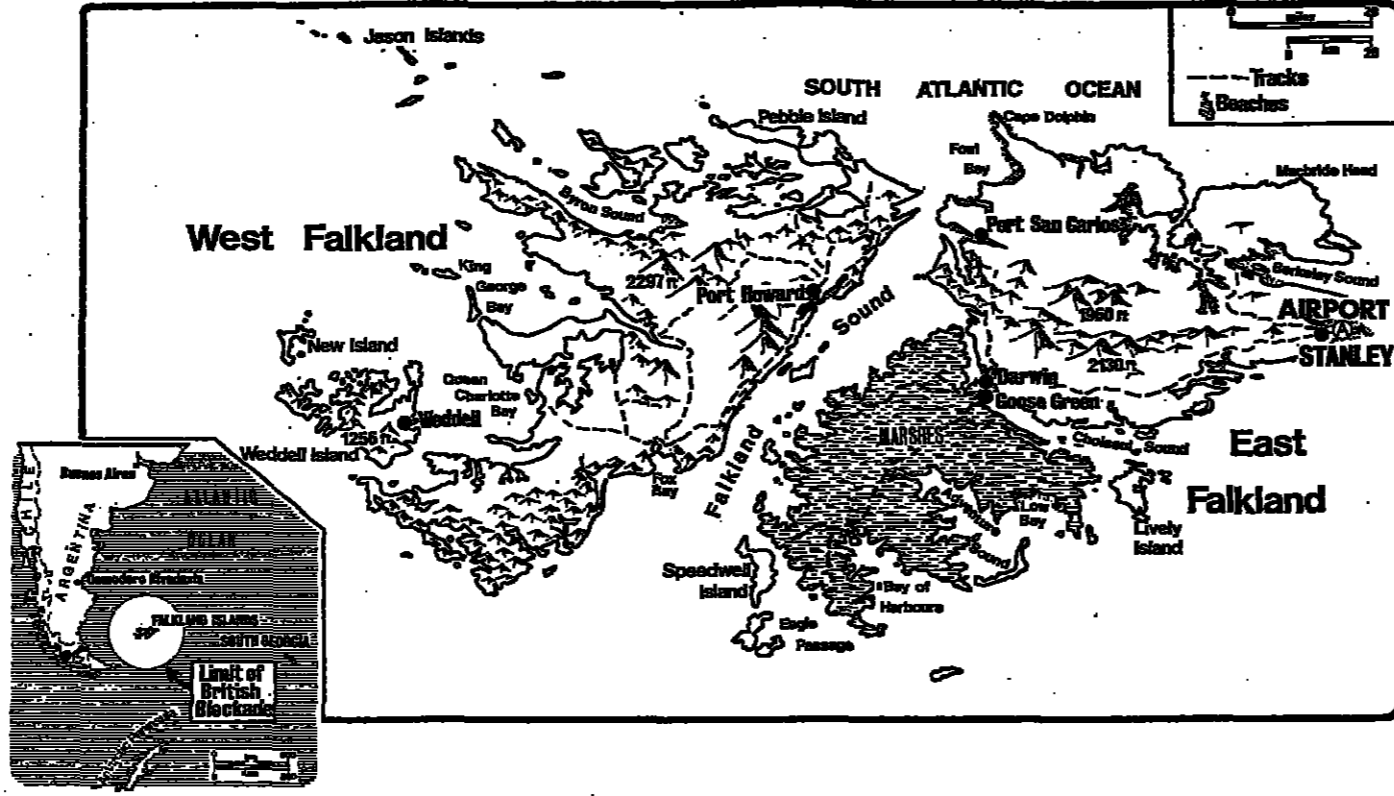
The task force, after three weeks at sea, has now stationed itself where it can both impose the blockade and be ready for battle if the orders are given.

What are the military options available to Admiral Woodward and his armada of warships, their complement of jump-jet fighters, anti-submarine and transport helicopters, and dozens of support ships—perhaps 50 vessels in all? The range is not particularly wide. The military options are first and foremost conditioned by the political aims they are designed to achieve—a withdrawal of Argentine forces in accordance with the mandatory UN resolution 502 and the least possible loss of life, particularly among the 1,500 strong British community on the Falklands.

While military planners have been analysing the possible options over the last three weeks in the greatest detail, it is not clear that orders for action beyond the establishment of the air and sea blockade have yet been given.

Admiral Woodward's battle orders remain secret. From the best information available it would seem that the preferred strategy is to isolate the main contingents of Argentine forces in and around Port Stanley in the hope of expectation that they will withdraw or surrender without major confrontation and loss of life.

A key factor being weighed in the balance is the nature of the reports, could favour the invaders. The islands are the size of Wales, but so intense is the coastline that it is quite



Graham Laver

undefensible with the size of force which the Argentines are thought to have on the islands. The task force could, in other words, find plenty of safe landings. It is suggested that of the 6,000-7,000 troops there, at the most one battalion, or perhaps 600 men, is on West Falkland, two or three are scattered on some of the likely landing beaches, while the majority are in Port Stanley itself.

These forces are not thought to be particularly mobile, mainly because of the exceptionally difficult terrain of the islands. Above all, it is suggested that, unlike a British invading force, they would not have transport helicopters.

A possible scenario for a task force invasion of West Falkland would be for the assault ship Fearless to detach from the main task force which is probably even now stationed some 100 miles off East Falkland. Fearless, escorted by a mini- or five destroyers and frigates, each of which provide air cover

and anti-submarine protection, would engage in a beach landing in one of the many, relatively sheltered inlets of West Falkland near the main Argentine garrison, which would have been fully reconnoitred beforehand. Former naval officers point out that Britain's knowledge of Argentine positions and movements is far superior; it comes from satellite, and air reconnaissance, as well as from on-the-spot reconnoitring by the Navy's highly secretive Special Boat Squadron, elements of which are almost certainly on the islands already.

"We should know exactly where they are, even to discovering which beaches they've mined," comments Admiral Lord Hill-Norton, a former Chief of Defence Staff. By contrast, the Argentines are thought to have little air reconnaissance, or the sort of battlefield radar, for example, which allows the Royal Marines and other troops to fight at night.

It seems probable that an attack on West Falkland would

involve a simultaneous landing of troops from the Fearless flat-bottomed landing craft and from Sea King and Wessex helicopters, the latter in particular giving great mobility.

Similar tactics, it is thought, could be applied later with the detachments actually on East Falkland. The attacks are unlikely to be undertaken at the same time, however, partly because of the psychological advantage of gradually closing the pincer on Port Stanley but mainly because the resources of the task force, considerable though they are, could be overstretched. Nevertheless the Task Force has more ships than the entire Argentine navy.

This sort of action should, of course, be seen against the background of the sea and air blockade, and a probable attempt by the task force not simply to cut the Port Stanley garrison's communications with the hinterland, but also the garrison's links with headquarters in Buenos Aires.

Of the two forces, there is

no doubt that the British is the best trained and most experienced. Argentina's is a conscript force, and while officers and NCOs in the Falklands are career or long-serving personnel, many of the soldiers may not have been in the army for

TV and press reports and letters from the Falklands which indicate that Argentine forces are poorly clothed, housed, hungry and cold are also being taken into account, as are problems caused by a shortage of water in the Falklands—the only piped supply is in Port Stanley, and that is severely under strain.

A number of tactical problems may be causing some concern to British officers, however. There is the dilemma, for example, of whether or when an attempt should be made to crater Port Stanley's airstrip.

A much discussed factor is the weather, which as winter approaches can produce gale force winds and high seas with great frequency and unpredictability. Winds of above 50 knots could make helicopter landings difficult.

The problems of landing men from the assault craft are also considerable in rough weather—though here it is easier to wait, or find calmer inlets. Military men tend to play down the problems of sea sickness: the sickness at least are used to the sea, while healthy men are said to recover very quickly once on land.

While the experts do not pretend that action against the isolated detachments of Argentine troops will be bloodless, they acknowledge that if they are forced to attack Port Stanley itself much blood could be shed if the Argentines resist for long, even though their defences, involving improvised trenches connecting properly built "pill boxes" or strong points, may be fairly primitive.

Curiously perhaps, British planners do not seem to think that the Argentines will take hostage any Falkland islanders left in Port Stanley, if only because of the poor international publicity they would receive. Most islanders are now believed to be in isolated farms, with less than 200 in Port Stanley.

Lombard The interest rate mystery

By Nicholas Colchester

THE CURRENT LEVEL of U.S. dollar interest rates is the eighth wonder of today's world. The six-month rate now runs at about 7.5 per cent above the rate of U.S. inflation officially forecast for this year. The same real yield is offered on a 20-year Government bond.

American economists have never seen such real rates combined with an economy in recession, whose appetite for borrowed funds should, in theory, be dwindling.

Borrowing

These factors seem to me to be only parts of a grander phenomenon: current dollar interest rates are the withdrawal symptoms from a decade of Western inflation which the U.S. gave us and which the U.S. is now in the process of taking away.

An unusual price for anything implies unusual strains between supply and demand. These high interest rates are the elastic force needed to reconcile a lag between the perception which individuals, companies, and even countries have of the outlook for dollar inflation, and the impact which incipient disinflation is already having upon their financial affairs.

Put the other way round, Americans—indeed all of us who invest and borrow dollars—are locked into a degree of borrowing which was wholly logical during a decade of inflation but which has now become illogical and painful. Meanwhile we are still investing, or saving, in a manner which assumes that inflation will be uncorked again.

This scepticism and uncertainty are reflected in the longer end of the maturity spectrum. Investors, assuming the worst about the future of monetary control, still need a real return of more than 7 per cent to persuade them to lend money to the U.S. Government for 10 years. Private borrowers, mindful of the success against inflation already achieved, are loath to touch long-term loans at such a price. So the long-term corporate debt market in the U.S. is all but closed.

But borrowing is still needed because companies, countries and individuals are trapped in a vicious circle of high debt, high rates and falling incomes. The resulting migration of borrowers and savers towards the shorter end of the maturity scale leads them all into the waiting jaws of the Federal Reserve. Since 1979 the Fed has let the price of short money rip and concentrated on controlling the volume. With U.S. industry, for example, driven by its past excesses into increasing its bank debt by one-fifth over the last year, while U.S. money supply has been allowed to rise 6 per cent, it is not surprising that interest rates have a job to do in reconciling supply with demand.

Assuming the Fed remains hard-hearted to the pleas of the indebted, high interest rate withdrawal symptoms will only fade as the gap between perception-induced supply of credit and reality-induced demand corrects itself.

Uncertainty

On the demand side this means the collapse of the unit and over-gearing (disinflation means, after all, that selected cash illusions are destroyed rather than all being devalued). On the supply side it means that uncertainty about future inflation must be sufficiently reduced to allow a re-opening of sources of finance beyond the reach of monetary control.

Time, restraint of Federal deficits, and indexed-bonds could all be of help here. And when and if this greater certainty is allowed to take root, long-term bonds will have proved a wonderful buy at the real yields they are now offering the unbelievers.

Letters to the Editor

The Falkland Islands: unwavering support

From Mr F. Anderson.

Sir,—While it is true that the International Court of Justice cannot adjudicate in a dispute if one party refuses to accept its jurisdiction, it is also true, according to Encyclopaedia Britannica, that the General Assembly or Security Council of the UN can ask the International Court of Justice for an "advisory opinion" on any question submitted to it.

While such an opinion on the Falklands dispute would not be binding on either party, its publication would reinforce the arguments of those seeking to achieve peace by negotiation.

F. F. Anderson,
110, Whitbush Road,
Hitchin, Herts.

From Mr G. Ledebor

Sir,—Your leader (April 27) in giving less than whole-hearted support to Mrs Thatcher suggests that the seeking of a diplomatic solution to the Falkland crisis should be extended beyond the Raig mission before any further military action.

It does not suggest, however, any time limit to the shilly-shallying of either the United Nations in the case of one of your suggestions or of Argentina's agreement to taking the case to the International Court of Justice—during which Argentina would no doubt be reinforcing its troops in the Falklands.

G. P. Ledebor,
"The Newbold",
Framwood Road,
Fulmer, Bucks.

From Mr W. Holford.

Sir,—If we can use simple terms and plain words, what you have said (April 27) is that des-

pite naked and unprovoked aggression by Argentina—despite the fact there are nearly 2,000 Britons under the heel of a neo-Nazi administration—despite the fact that thousands of our sailors and soldiers are at serious risk on high seas and every day that passes makes this situation worse for them, and finally despite the fact that the Argentine military junta has absolutely no intention of negotiating anything except—what we have invaded we keep—you threaten that if "Thatcher doesn't talk until the cows come home"—regardless—you and your friends in opposition will withdraw your support.

Your article will of course give comfort to the junta and I was struck by the remarkable similarity of many such editorials I read during the period 1933-1939.

Every fresh conquest by Hitler or Mussolini was accompanied by pages of advice in the papers of the day extolling the virtues of negotiations and the horrors of war.

The greatest holocaust where more than 25m people were maimed and killed was the direct result of the influence of editorials such as yours over a period of years.

W. Holford,
210 Hampton Road,
Hilford, Essex.

From Mr P. Troy

Sir,—Situating some 500 miles from the closest point of mainland Argentina, the Falkland Islands are some 16 times farther from the United Kingdom than the Argentine. Yet it is the Latin countries of the American continent who are for "de-colonisation"—unlike the Falklanders themselves, who

prefer to remain a British colony.

Previous "de-colonisations" appear invariably to have resulted from a desire on the part of the colonies concerned for independence. Thus the Falklands situation is a very different kettle of fish indeed.

Even today, a major European power still has a colony some 200 times farther from home than from the American mainland. I refer to the islands of St Pierre et Miquelon, whose police is provided by the French Gendarmerie Nationale, the French franc is the currency, and its citizens are liable to national service in the French forces. As far as I could judge during a very brief visit, the inhabitants seem to be as French as the Falklanders, and about as unenthusiastic at the prospect of changing their colonial status.

Insistence by third parties on "de-colonisation" against the wishes of the people concerned is surely a new and vicious "principle" which should be resisted with all force necessary.

If, as the Argentines claim, they can indeed offer the Falklanders more than the United Kingdom, then let them be permitted to maintain a civilian mission in the Falklands to explain their proposals to the people. Provided that all military presence was withdrawn, presumably neither EMG nor the restored Falklands administration would object to this—nor to such a mission flying the Argentine flag, which seems to be such an emotive issue.

Peter H. Troy,
Richard Archie and Co.,
Victoria House,
Southampton Row, WC1.

Lloyd's should make its own changes

From Mr J. Hobbs

Sir,—Would it not be better for Lloyd's to manage its own business by making such changes as may be necessary in its agreements with names underwriters, brokers, etc, without relying on a blanket Bill which is obviously far from finding universal approval?

John H. Hobbs,
26, Boulevard des Moulins,
MC Monte-Carlo.

Secrecy in local government

From Mr D. Bridgman

Sir,—With respect to the leader of Swansea City Council (April 20), may I emphatically respond that the exact opposite is the case? Local authorities and government are not too weak, they are far too powerful.

Who, for example, planned and organised the takeover of Whitechurch? Cardiff. We couldn't stop them. We weren't asked. We did ask for the takeover of the old Cardiff steel works. We were scornfully ignored. We did ask for our own bank. We didn't even get a reply; we got the Standard and Chartered Bank of Commerce.

Let any who doubt me, try to find out what are the detailed spending plans of their local authority for the next three years. Try to get detailed reports of all the votes on all committees. Try to get verbatim copies of all resolutions, try to get an information service published to inform the voters who pay the taxes what the plans are.

J. D. Bridgman,
29 Hazel Don,
Whitchurch, Cardiff,
Glamorgan.

Still flying high

From Mr A. Walker

Sir,—Referring to "Shot Down" in Men and Matters (April 21) the advertising agents for Pan Am with their launching of jet travel when other airlines could think no further than propellers should have met the captain of a BOAC Comet flight Johannesburg/London in 1953, who, when passing over the Alps, announced over the loud speakers that if the passengers would care to look out of the windows on the right hand side of the plane they would see below them Pan Am's Constellation which left Rome bound for London one hour ahead of us.

A. H. Walker,
P.O. Box 174,
3780 Gstaad, Switzerland.

Planning in the dark

From Mr J. Toporowski

Sir,—In his Economic Viewpoint entitled "Planning in the dark" (April 22), Anthony Harris questions "Why it is apparently assumed that adjustment crisis, which are so high in the public sector, apparently do not matter in the private sector, which has to do all the adjusting." The answer is simple. With the notable exception of oil, the private sector gave up a long time ago engaging its resources without government guarantee in long term investment projects (such as infrastructure and most branches of heavy industry)

precisely because of the high adjustment costs incurred in adapting investments with long gestation periods to changing economic circumstances. It is for this reason that vigorous public enterprise with a broader and a longer term perspective than that reflected in existing capital and other markets is a necessary condition for economic revival in Britain.

Incidentally, that same day, you comment on the escalating cost of the Chevaline nuclear warhead project, which has risen to £1bn from a mere £172m in 1972. This problem is a familiar one to Eastern European economic planners who have found that time and again industrial managers present cost projections for investment

schemes which seriously underestimate true costs. The purpose of this is to "sell" their schemes to central policy-makers who, having started these frequently extravagant projects, are naturally loath to waste resources by cancelling them in mid-construction.

Perhaps Mrs Thatcher could get together with Mr Brezhnev and discuss the problem, if only to learn from each other's experiences. The Soviet experience may well be instructive, while such exchanges would certainly provide a sounder basis for peace in the world than the expensive hardware that both sides are continually being persuaded to invest in.

Jan Toporowski,
28, Warrington Crescent, W9.

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MINING NEWS

De Beers plans to maintain traditional role

BY GEORGE MILLING-STANLEY

THE REDUCTION in the dividend from De Beers Consolidated Mines, which struck the share market earlier this year, is explained by Mr Harry Oppenheimer, the South African company's chairman, as reflecting the group's determination to carry out its traditional stabilising role in the diamond industry. It has long been the group's policy to withhold stones from the market at times of slack demand, rather than to cut prices. This policy is carried out through the Central Selling Organisation, which handles the marketing of some four-fifths of the world's output of rough (uncut) diamonds. The diamond business is of course still suffering the effects of the worldwide recession, and Mr Oppenheimer said in his latest chairman's statement that the board's decision to halve the final dividend for 1981 was influenced by expectations of a further rise in diamond stocks this year. The posted value of the group's stocks of uncut stones doubled to R1.4bn (£750m last year). Mr Oppenheimer went on to dispel any speculation as to De Beers' ability to finance a stockpile of such unprecedented size, by pointing out that the group had arranged facilities with its bankers. These arrangements, he said, were made possible by the "conservative dividend and

sound investment policies of the past. De Beers has taken a number of steps to counter the low level of demand for diamonds. These have included determined efforts to match supplies on offer with the requirements of customers, and short-term production cuts. Output last year, excluding the newly-opened Jwaneng mine in Botswana, increased from 14.7m carats to 15.4 carats as part of a long-range plan to lift group production to 19m carats, but cutbacks made in recent months are likely to lead to a fall to around 13.8m carats in 1982. Mr Oppenheimer believes that these moves, coupled with the decision to increase stockpiles substantially, have by now solved the problems that were specific to the diamond industry, and were largely a result of speculation in the cutting centres. The recession remains the major problem, especially insofar as it affects the economy of the U.S., by far the world's biggest market for diamonds. The group is confident that it is equipped to see out what remains of the bad times, and to take full advantage of better economic conditions when they return. The shares fell 3p to 220p in London yesterday in advance of the publication of the annual report.

Loss at Greenvale

THE PARTNERS in the big Greenvale nickel-cobalt operation in Queensland continued to incur substantial operating losses in the three months to March 31, reports Ian Perkin from Melbourne. The partners each with a 50 per cent interest, are Australia's Metal Exploration and Freeport Minerals of the U.S. Actual results for Greenvale are published only at half-yearly intervals, but some idea of the project's performance can be gleaned from Metals Ex's latest quarterly report. This shows that the Australian company's 50 per cent share of Greenvale's operating loss was A\$3.9m (£2.3m), which indicates a total loss for the project during the quarter of A\$7.8m. The latest result compares with a total loss of A\$6.4m in the first three months of 1981, and brings the total loss on the

project in the nine months to the end of March to A\$11.5m, against a profit of A\$4.92m in the same period of the previous year. The poor operating performance reflects the worldwide weakness of nickel and cobalt prices and the rise in Australian working costs, especially the high price of fuel oil. The Greenvale partners are currently converting part of the plant to coal-firing from oil, and this should have an impact on future costs, as will the recent downturn in world oil prices. These factors are not, however, expected to turn the operation round into profitability. That will require an upturn in metal prices. Metals Ex itself lost A\$170,000 during the quarter on the operations of its Nepean nickel mine in Western Australia, but the group is still able to report profits for the nine months of A\$301,000.

Wit Nigel cuts costs

THE INDEPENDENT South African gold producer Witwatersrand Nigel managed a sharp reduction in working costs during the March quarter, as a result of the previously-announced policy of curtailing operations. Nevertheless, the mine still turned in a net loss for the period of R128,798 (£258,000), against a deficit of R466,253 in the December quarter, as the gold price received was too low to cover expenses. The loss was struck before receipt of state assistance, which totalled R1.2m. The company said this was part payment of accrued claims of R1.4m. If the grade of ore in the areas now being worked and the gold price are maintained at

present levels, the company estimates that its accumulated deficit in the year to June 30 will be balanced by assistance from the state aid scheme. Wit Nigel announced in February that it was curtailing operations "in order to achieve a balance between income and expenditure," and added that it was not possible to forecast with any accuracy the length of time the mine could remain in operation before complete closure became inevitable. The company has limited its total withdrawal to as few areas as possible, so that it will be in a position to take advantage of any upturn in the gold price, and consequently remain open for longer than anticipated.

Two gold mine accidents

THREE MINERWORKERS were killed and two others are still missing after a rockburst at the No. 3 shaft of the Western Deep Levels gold mine in South Africa. The mine, part of the Anglo American Corporation group, said yesterday that rescue operations are still going on. About 10 of the mine's working faces were affected by the accident, which occurred 2,700

metres below the surface. At the Vaal Reefs gold mine, also in the Anglo group, an earth tremor measuring 3.5 on the Richter scale, and an associated pressure burst, have taken the lives of two workers and injured seven others. As relatively small areas of the two mines were affected, gold production is unlikely to be significantly reduced.

Marlborough tops £0.4m and plans £2.4m rights

SHARPLY HIGHER profits are reported by Marlborough Property Holdings for 1981 and at the same time the directors say they are proposing to raise some £2.4m before expenses by way of a rights issue. Ordinary shareholders will be offered 10 per cent convertible unsecured stock, 1988-2002, on the basis of £1 nominal of loan stock at par for every nine held. The stock will be convertible into ordinary shares during May in any of the years 1986 to 1995, at a rate of one ordinary for every 46p nominal of loan stock. Pre-tax profits for the year rose from £158,000 to £410,000 and with stated earnings per share emerging higher at 1.2p (0.58p) the dividend is being increased to 0.4p (0.325p) per share. The directors expect to at least maintain this payment in the current year. The proceeds of the rights issue will be used to finance the next phase of the group's expansion—development of sites at Weybridge, Guildford and Burham. It is anticipated that its development at Guildford comprising a new industrial estate, will be retained on completion and will add £280,000 per annum to the group's rental income within three years. Until these developments get under way, the rights proceeds will be used to reduce existing bank

borrowings, thus producing a valuable saving on current interest payments. **comment** Rights issues have become almost as common as dividends in the property sector lately, as many companies have found themselves carrying heavy interest charges. In the face of growing institutional distaste for the trend, Marlborough is hurrying out its call following a healthy 20 per cent revaluation of its assets. The company's income gearing dropped in 1981, but was still at a hefty 65 per cent. The company will apply the new funds to its borrowings which, at about £4.5m, are now more than four-fifths of shareholders' funds. The debt was taken on, in part to purchase the Weybridge, Guildford and Burham sites, which the company insists were bought privately and not in an open market competition. Marlborough expects Guildford to produce about £300,000 in rental income per year, while the others will be sold to cut down the debt undertaken for the next development stage. At 38p, the shares stand at a slim discount to net asset value of 43p, but the rights should only be taken up by those who believe that Marlborough can continue to significantly outperform the rest of the sector. The yield is 1.5 per cent.



B.A.T. INDUSTRIES

Results for the year to 31 December 1981

Sir Peter Macadam, Chairman, comments:

At the interim stage, I forecast that the Group could expect "a significant advance". That prediction has been borne out by turnover, which has increased by 21 per cent to £9,265 million, by pre-tax profit, which at £684 million is 43 per cent higher than that of last year and by profit attributable to B.A.T. Industries which is 55 per cent higher at £363 million.

These would be gratifying results at any time. Two factors make them especially so now. One is that they have been achieved during a period when the world has been passing through economic difficulties of the most testing severity. The other is that the Group has continued to demonstrate sound underlying growth.

The lower level of sterling during 1981 has had its expected beneficial effect on the figures. Had the sterling exchange rate not declined from one year-end to another the figure for turnover would still have grown by 7 per cent on the previous year, trading profit by 15 per cent, pre-tax profit by 22 per cent and profit attributable to B.A.T. Industries by 29 per cent. These results are a measure of the strength of the Group's geographical and industrial spread.

Once again tobacco has been the major contributor to Group trading profits, providing 74 per cent. There is solid evidence of increasing profitability with tobacco trading profit increasing by 17 per cent in local currency terms. Two notable developments during the year were the increase in Brown & Williamson's market share in the USA after a period of decline and the establishment by BAT (UK and Export) of a firm foothold of 6 per cent of the UK domestic market as well as the significant increase in its export sales and profits. There was a substantial recovery in profits from Souza Cruz in Brazil in spite of a decline in volume caused by economic conditions.

The tobacco base continues to be of great benefit to the Group although most of the other activities have performed well within their own spheres. Analysis of Group turnover by industry shows that each of them has made a similar proportionate contribution as in 1980.

Contributions to trading profit are not so uniform. Retailing increased its contribution to Group profits, as did Other Trading Activities including Cosmetics, but Paper—and to a lesser extent Packaging and Printing—expanded turnover at the expense of margins. This was particularly true of those activities, apart from Tobacco, centred mainly on the UK and Continental Europe.

A measure of the Group's present strength and confidence is that, at a time when much of industry was cutting back its investment in future growth, our own capital spending on fixed assets increased to £278 million in 1981.

The board is proposing a final dividend of 8.5p, making a total of 23p for the year compared with 19p for 1980, an increase of 21 per cent. On previous occasions, I have stated our objective of at least maintaining the purchasing power of dividends but last year we did not achieve this. This year's increase more than restores this shortfall and gives a total which shows an average real growth of 2.15 per cent per annum over the past five years.

In March, 1982, BATUS made an agreed tender offer for the share capital of Marshall Field & Co., a Chicago based group which operates 77 quality department and furniture stores in various parts of the USA. BATUS has entered into an agreement in relation to the acquisition with the staff of the US Federal Trade Commission and at the time of this announcement is awaiting the approval of the Commission itself. The tender offer values Marshall Field at \$366 million.

The Falkland Islands dispute has drawn attention to British commercial interests in Argentina. B.A.T. Industries' principal interest in Argentina is a 70 per cent holding in the equity of Nobleza-Piccardo SAICYF, which in 1981 contributed about 1 per cent of Group trading profit and represented approximately 1 per cent of the Group net assets.

GROUP PROFIT AND LOSS ACCOUNT—Year to 31 December

	1981	1980	change
	£ millions	£ millions	
Turnover	9,265	7,645	+21%
Trading profit	684	487	+38%
Interest paid less received	37	48	-23%
Share of associated companies' profit before tax	597	419	+42%
Profit before taxation	87	60	+45%
Taxation	684	479	+43%
Profit after taxation	281	217	+29%
Minority interest	403	282	+54%
Attributable to B.A.T. Industries:			
Net profit before extraordinary items	363	234	+55%
Retained for inflation	180	95	+89%
Net profit after inflation retention	183	139	+32%
Dividends	84	69	+21%
Other retentions	99	70	+41%
Earnings per ordinary share	99.9p	64.4p	+55%

EXCHANGE RATE EFFECTS

The results of overseas subsidiaries have been translated into sterling for the purpose of this report at exchange rates ruling on 31 December in each year. Had the same exchange rates ruled at the end as at the beginning of the year, it is estimated that the figures would have been as follows:

	Year to 31 December 1981	change
	£ millions	
Turnover	8,183	+7%
Trading profit	538	+15%
Profit before taxation	582	+22%
Net profit attributable to B.A.T. Industries	302	+29%

INDUSTRIAL AND GEOGRAPHICAL ANALYSES

	Year to 31 December			
	1981		1980	
	£ millions	%	£ millions	%
INDUSTRIAL				
Turnover				
Tobacco	5,322	57	4,331	57
Retailing	2,180	23	1,772	23
Paper	798	9	705	9
Packaging & printing	525	6	465	6
Other trading activities	440	5	368	5
	9,265	100	7,645	100
Trading profit				
Tobacco	489	74	336	72
Retailing	72	11	42	9
Paper	47	8	52	11
Packaging & printing	20	3	21	4
Other trading activities	26	4	16	4
	634	100	487	100
GEOGRAPHICAL				
Turnover				
United Kingdom	2,034	22	1,757	23
Europe	1,979	21	1,765	23
North America	2,542	27	1,871	24
Latin America	1,731	19	1,495	19
Asia	566	6	425	6
Africa	355	4	300	4
Australasia	58	1	42	1
	9,265	100	7,645	100
Trading profit				
United Kingdom	46	7	18	4
Europe	77	12	78	17
North America	283	45	212	45
Latin America	131	21	78	17
Asia	59	9	44	9
Africa	35	6	35	8
Australasia	3	—	2	—
	634	100	487	100

Royalty income less related expenditure is now included in the area in which the business is located. The 1980 figures have been adjusted to reflect this change.

INDUSTRIAL REVIEWS

	Tobacco			Paper		
	1981	1980	change	1981	1980	change
	£ millions	£ millions		£ millions	£ millions	
Turnover	5,322	4,331	+23%	798	709	+13%
Trading profit	489	336	+45%	47	52	-10%
Total assets	2,114	1,707	+24%	544	476	+14%

Group volume fell by 1.2 per cent predominantly influenced by the important Brazilian market where there was a drop in total industry sales. Excluding Brazil, Group sales volume was 1.5 per cent higher. Turnover rose by 6 per cent in local currency terms, and by 28 per cent in sterling terms. Trading profit was 17 per cent higher in local currency; a number of price increases, exchange rate movements and higher levels of productivity contributed to a 40 per cent increase in sterling terms.

In the USA, Brown & Williamson reversed a period of decline and increased its unit volume by 3.4 per cent. Barclay captured a 1.2 per cent market share and became one of the top twenty selling brands in its first year. The company continued its new marketing and product strategy with other brands. Trading profit increased slightly in dollars.

BAT (UK and Export) established itself further in the domestic market with sales volume up more than 40 per cent, while its exports rose 20 per cent. Profit was substantially higher.

In Germany, market share held up well in a domestic market that reached record levels. Souza Cruz maintained its share of the Brazilian market at over 80 per cent and, although volume was depressed because of economic conditions and price increases, profit rose by 164 per cent in sterling terms restoring it closer to levels achieved in earlier years.

Profits improved in Asia and in Africa.

Retailing

	1981	1980	change
	£ millions	£ millions	
Turnover	2,180	1,772	+23%
Trading profit	72	42	+71%
Total assets	864	689	+25%

BATUS Retail Division increased trading profit in US dollars by 44 per cent. Saks Fifth Avenue enjoyed still further large increases in turnover and profit and its three new stores started impressively. Gimbels also improved profit and turnover. Turnover and profit of Kohl department stores were up by more than a fifth. Although Kohl Food Stores' turnover fell, its trading profit was maintained.

In the UK, the results of International Stores were below those of 1980, although property and other transactions compensated in part. Mainspring opened five new stores but is not yet profitable. Argos catalogue showrooms continued their rapid expansion, with 14 openings bringing the total to 116. Profit was down owing to fierce competition and heavier promotional costs.

	Paper		
	1981	1980	change
	£ millions	£ millions	
Turnover	798	709	+13%
Trading profit	47	52	-10%
Total assets	544	476	+14%

Appleton Papers' total volume was down 3 per cent as it switched emphasis further from general mill grades, but sales volume of carbonless copying paper for the US market increased by over 11 per cent. Trading profit increased by 17 per cent in sterling terms.

Wiggins Teape increased European and UK sales by 5 per cent in spite of the recession, but profit margins suffered. The strong US dollar added to pulp costs and international competition was intense. Although production was maintained, numbers employed in the UK were reduced by 8 per cent. There was growth in specialty papers, including IBM carbonless copying paper. Belgian mill profit was reasonable, but the South Wales operations made losses.

Packaging & Printing

	1981	1980	change
	£ millions	£ millions	
Turnover	525	465	+13%
Trading profit	20	21	-5%
Total assets	301	270	+11%

The UK businesses maintained market share in the face of weak demand. The workforce was reduced by 7 per cent and productivity rose. PBT bottle and two-piece can capacity was increased to meet rising demand.

The US flexible packaging division overall had a reasonable year, and Lawson & Jones in Canada improved still further. Marlon Printers, Zimbabwe, had excellent results.

Other Trading Activities

Cosmetics had a good year in generally difficult conditions, with trading profit rising by 3 per cent to £13 million. Turnover improved by 23 per cent in sterling terms. Results for the Peguian and Hüppe Group, in the home improvements business in Germany, showed improvement in spite of a steep drop in construction industry activity.

Associated Companies

Inasco, the Group's Canadian Associate, showed a further strong advance and the Group's share of its pre-tax profit was £38 million, an increase of 81 per cent in sterling terms. Its tobacco results made substantial advances in turnover and profit, and the good returns from Hardee's Food Systems in the USA were in line with expectations.

B.A.T. Industries' share of pre-tax profit of AMATHI, in Australia, improved by 43 per cent to £15 million. The tobacco, snack foods, beverages and packaging activities had a good year, although problems continued in the meat division.

EAST DAGGAFONTEIN MINES LIMITED
 ("EAST DAGGA")
 (Incorporated in the Republic of South Africa)

RECONSTITUTION OF BOARD OF DIRECTORS AND PROPOSED CHANGE IN TECHNICAL ADVISERS AND SECRETARIES

The directors of East Dagga have recently been approached by Mr Adolf H. Lundin of Geneva, Switzerland, who together with his associates either own beneficially or are in a position to control the voting power of at least 34 per cent of the issued capital of East Dagga.

Mr Lundin on behalf of himself and his associates proposed that, as soon as possible, the board of directors of East Dagga should be reconstituted by the appointment of persons nominated by Mr Lundin and his associates in place of the existing directors. Furthermore, he proposed that Anglo American Corporation of South Africa Limited (AAC) should relinquish its appointment to East Dagga as technical advisers and secretaries, a position which AAC has held since the inception of East Dagga in 1932.

AAC and its associated companies, it is understood, together hold 13 per cent of the issued capital of East Dagga. In the circumstances, the existing directors of East Dagga have resigned in favour of the persons nominated by Mr Lundin and his associates and at Mr Lundin's request Mr F. Bentley of AAC has joined the board.

Accordingly, shareholders are advised that the board of directors of East Dagga has been reconstituted and is now as stated hereunder:

Directors	Alternates
A. E. Lundin (Swedish) (Chairman)	—
E. W. Bazinet (Canadian)	—
F. Bentley (British)	—
J. H. Craig (Canadian)	S. de C. O'Grady
L. Klingmann (German)	C. E. Dixon
O. S. Redfern (British)	—

In terms of the company's articles of association all these appointments will be subject to confirmation at the annual general meeting to be held on April 29, 1982.

The reconstituted board of directors of East Dagga has negotiated the termination, with immediate effect, of the agreement with AAC relating to its appointment as technical advisers and secretaries to East Dagga, and has entered into an agreement with Messrs Arthur Young & Company with regard to the provision of secretarial services to East Dagga. New technical advisers will be appointed shortly.

The board also announces its intention to continue the company's current undertakings in the same manner in which they have been conducted up to the present and in addition to investigate new sources of financing for the company and possible diversification into the exploration and development of other natural resources. Members will be kept advised of further developments.

Due to the reduced cash flow resulting from the fall in the gold price, and the additional finance required to follow the investment in Bonanza Gold Mine (Proprietary) Limited, it has been necessary to raise loan facilities of R240 000 to date which have been secured against the company's assets, and it will be necessary to arrange further loan facilities which may also be secured against such assets.

Until further notice, the transfer secretaries of the company in Johannesburg and the United Kingdom will remain as follows:

Johannesburg	Consolidated Share Registrars Limited 62 Marshall Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107)
United Kingdom	Charter Consolidated P.L.C. P.O. Box 102, Charter House Park Street, Ashford Kent TN24 8EQ, England

However, the registered office of the company will be transferred to the offices of Messrs Arthur Young & Company, 16th Floor, Standard Bank House, Cnr. Eloff and Albert Streets, Johannesburg 2001 (P.O. Box 454, Johannesburg 2000).

The address of the company's London office (at present, 40 Holborn Viaduct, London EC1P 1AJ) will change as soon as the new board have made appropriate arrangements in this regard.

Johannesburg
April 28, 1982

Companies and Markets

Sparrow slumps: cuts dividend

TRADING conditions for crane hire at G. W. Sparrow throughout 1981 were the most difficult encountered in the company's history, says the directors. Taxable profits slumped from £395,000 to £93,000 on increased turnover of £27.17m against £21.45m.

The final dividend is to be cut from 1.12p to 0.25p net, making a total payment of 0.7p (5p). Because of the low 1981 profit this dividend will be payable partially out of reserves. The directors say that once conditions permit, they intend to restore this reduction in dividend.

Earnings per 20p share are stated at 0.6p (9.5p) and at 0.5p (5p) on full tax charge. The directors say hire rates for 1981 were low and utilisation poor, with no work at all for some cranes. Losses were incurred in crane hire beyond the UK, U.S. and in the company's French associate. During the year unprofitable UK depots were closed and staffing levels reduced.

The company reports, however, that its U.S. subsidiary, Sparrow International of Houston, is now trading at a profit. "Considerable effort was put into developing overseas business, with much success in terms of orders already received and prospects of orders for 1982 and beyond." The offshore division is reported to have started the year with a substantial order book which will ensure it is kept fully occupied through 1982. The directors say they are looking for good profits from this division.

They claim prospects are considerably brighter than actual results for 1981 in almost every area of business. In the heavy crane division, "over half the fleet is fully committed until the end of 1982 and current

James Neill moves into surplus in second half

A BETTER than break-even second half saw James Neill Holdings, general engineer and toolmaker, record a pre-tax profit of £1m for 1981, after a £1.14m loss at half-way, and a £282,000 profit in 1980. It came after interest payments of £2.37m, down from £2.53m, and exceptional costs of £24,000 in cutting the scale of activity, compared with £87,000.

Sales at £47.85m were down from £51.38m. Trading profit of £1.79m (£3.78m) was made up of £1.7m (£3.77m) from UK companies, £607,000 (£2,000 loss) from overseas companies, and £23,000 from associated companies and £17,000 (£14,000) from investment income.

The 1981 dividend is being omitted, after 1980's 1.4p payment. Loss per 20p share is given as 6.9p (1.1p earnings).

James Neill has been bumping

UK COMPANY NEWS

Jessel Toynbee in profit

FOR THE year ended April 5 1982 Jessel Toynbee, discount house, was turned in a profit overall, after falling into losses at the halfway stage.

The profit is, however, reduced substantially from £1.12m to £244,488 net. It was struck after providing for rebate, taxation and all expenses. In 1981 there was also a transfer to contingencies.

The dividend is held at 5p net per share, with an unchanged final of 3.25p.

Comment: Jessel Toynbee was one of those houses to be seriously wrong-footed when interest rates jumped last autumn. The consequent first-half loss was recouped later on, but a clear final profit of £245,000 is still no better than middling, even when allowance is made for the sharp fall in gilt-edged at the very end of Jessel's year. Because of the changed banking regime it is probably true to say that call money is more mobile than it was under the old reserve asset system—with the result that margins on an accelerated bill market are thinner than ever. The temptation to take longer positions in gilt-edged is all the greater, but punished as often as rewarded. At 62p Jessel's share now yields more than 12 per cent—more than four points above Gerrard's—reflecting the cost of going astray. The lack of any transfer to inner reserves means that the real value of Jessel's book will have slipped a fraction this year.

Liberty well ahead year end

AS IN the previous year Liberty & Company, fabric and carpet dealer, returned to profit in the second half of the year to January 31 1982 to produce pre-tax profits for the 12 months of £514,000, compared with £74,000 for 1980-81—by mid-year losses had been cut from last year's £438,000 to £278,000.

Full year sales were higher at £23.74m (£20.91m) and trading profits came to £786,000, against £405,000.

The taxable surplus was after net interest payable of £252,000 (£329,000) and was subject to a credit of £239,000 (£23,000). Exchange gains totalled £53,000 (£1,000) and the attributable profit was £328,000 (£52,000).

With stated earnings per share this time of 4.17p (0.31p loss) the dividend is being stepped up from 1.5p to 2p, making a net total of 2.4p, compared with 1.7p. As a result of the completion of the Liberty House refurbishment project, commitments for capital expenditure not provided in the account and additional capital expenditure authorised are estimated at £1.11m (£2.3m).

Good performance by the retail and converting and wholesaling divisions (including a useful contribution by the joint venture operation in Japan) enabled the company to contain a severe loss by the Dutch retail group, Metz en Company.

In the light of the results £25,000 has been appropriated to the group's profit sharing scheme.

Thomson T-Line losses rise

RISING taxable losses have been shown by Thomson T-Line Caravans from £461,653 to £518,513 for 1981. There is again a final dividend—the last payment was a final of 1.7p in 1979.

Turnover of this maker of caravans, residential units and trailers is lower at £25.5m, against £32.2m. At half time pre-tax losses rose from £128,000 to £249,000. After a reduced tax credit of £34,000 (£38,490) losses per share were shown as rising from £2.45p to 2.95p.

There were extraordinary debits this time which were the closure and redundancy costs from the discontinuation of caravan manufacture and the disposal of surplus assets.

To date the directors say the disposal of assets has realised a surplus over book values of £308,000 which will be credited to the profit and loss account in 1982.

Devenish lower at £191,000

Reduced pre-tax profits were shown by J. A. Devenish and Company, brewer, for the 24 weeks to March 19 1982. The surplus fell from £264,000 to £191,000. The net interim dividend is held at 2.25p—in the last full year a total of 8.5p was paid from pre-tax profits of £1.89m. Turnover this time rose from £8.8m to £7.55m. Tax took £29,000 (£12,000).

SPAIN

Agrib 28	24	For-1
Banco Central	357	-2
Banco Exterior	306	-2
Banco Hispano	312	-2
Banco Ind. Cat.	710	-2
Banco Santander	326	-2
Banco Urquijo	200	-2
Banco Vizcaya	252	-2
Banco Zuregoza	245	-2
Dragsdos	152	-2
Espanosa Zinc	68	-2
Fecsa	63	+0.5
Gal. Prolcidos	40	-2
Hidrois	62.5	+0.5
Iberis	65.5	+0.5
Petrolis	91	+1
Peruolub	39	-2
Sagafin	6.5	+0.5
Telefonos	70.5	+0.5
Union Bece	63.5	-2

Wadkin loss rises to £1.4m

SUBSTANTIALLY increased taxable losses have been shown by Wadkin, woodworking machinery manufacturer, for the year to January 2 1982. The deficit rose from £577,800 to £1,358,400 while turnover remained steady, at £26.48m, against £27.18m.

Contrary to hopes expressed at the interim stage that the final dividend would be equal to the total of the previous year's 3.25p distribution, a payment of 0.5p has been declared, which is the total for the year.

Losses per 50p share were given as 25.98p (earnings 3.09p).

Second-half losses rose from £388,000 to £1.1m. Present policies of containment, together with a strong product range and efficient production methods, say the directors, should enable the group to progress in spite of the continuing recession. Any return in demand will quickly bring rewards after the radical measures taken over the past two years to improve the competitive base.

out first trading conditions remain difficult. Overcapacity and decline in markets continue to depress trade. There are first indications of a slow upturn in the UK building industry which may lift investment later in the year, they add.

Elsewhere, there is little prospect of improvement. Steps have been taken to improve margins through it is possible that this may reduce volume in some export markets. Measures which will reduce costs by 25m a year have been taken and about £1.2m is expected to accrue this year.

A number of substantial exceptional items account for £392,000 (£35,000) of loss.

During the year a German subsidiary was closed. Its loss of £215,000 includes closure costs and a large bad debt.

Due to rapid change in market conditions some stocks have become slow moving and extra provisions of £208,000 have been made, they add.

Redundancy costs were £48,000. Other non-recurring costs not counted in the total include start-up costs of U.S. marketing operations and the unexpected liquidation of a major supplier of mechanical handling and special equipment, which left the company with three complex contracts to fulfil.

The year 1981 saw the peak in an intensive product development programme which will be completed with new wood-working machinery models to be announced by mid 1982, the directors say. A major investment programme was also completed in which about £2m has been spent on new plant and facilities.

Pre-tax profits were struck after a lessening profit of £11,000 (loss £26,000), interest charges of £447,000 (£385,000), and exceptional items.

There was a lower tax credit this time of £32,000 (£23,000). On a current cost basis the pre-tax loss rose to £2.24m (£1.53m).



Chairman's Review 1981

The following are extracts from the Statement by the Chairman, Mr. J. N. Ferguson, which had been circulated with the Report & Accounts.

At the beginning of 1982 it was decided to form four Divisions in the Group. Sales and trading profits of the Group of these Divisions for 1981 with the comparable figures for 1980 and the details are as follows:—

	1981		1980	
	Sales £'m	Trading Profit £'m	Sales £'m	Trading Profit £'m
Audio Division	80.5	nil	70.5	(8.7)
Electronics Division	75.8	10.1	18.4	2.0
Housewares	25.9	0.8	29.0	nil
Industrial Division	22.4	0.7	25.4	0.3
	204.6	11.6	143.3	(6.4)

Dealing with each Division the Chairman, in his circulated statement said:—

Audio The demand for traditional audio equipment such as record players and changes is soft, particularly in North America where the level of consumer spending has been falling over the past few months. However, for the UK, Europe and Japan, sales are in accordance with our forecasts and show a slightly better trend compared with the same period in 1981. Whilst the results for 1981 show a marked improvement over those for 1980, it would be optimistic to assume that the same trend will continue through 1982 unless there is a substantial improvement in demand from the USA in the second half of the year and provided sterling does not improve against other major currencies.

Housewares Sales are predominantly in the UK where the level of demand is sluggish. The market is highly competitive with margins under pressure. The restructuring programme carried out over the last year or so has improved our level of productivity and efficiency and we are hopeful that this, in conjunction with the new products planned for the current year, will show an improvement in the level of profitability for this Division in 1982.

Electronics Substantial investment will be made during the current year to provide additional facilities, particularly in Singapore and Hong Kong, and to equip these factories with very sophisticated equipment to produce new products to the highest quality standards at competitive prices. This Division should continue its upward trend in profitability in 1981 provided the economic situation in North America does not deteriorate much further.

Industrial There are definite signs that the action taken in 1981 to reduce costs and improve productivity, together with a more combative sales effort, is now beginning to have a positive effect on profitability and it is anticipated that this Division will show a real improvement over 1981.

The Directors recommend payment of a final dividend of 5p per share on the ordinary shares, which, together with the interim gives a total dividend of 1p for each existing ordinary share (1980: nil).



Group UK activities consist mainly of manufacture of Record Player and Record Mechanisms for original equipment manufacturers, also manufacture of "Open Reel" Electronic Instruments, Guitars, Televisions, Vacuum Cleaners and other appliances. Overseas activities are principally in field of electronics. Head Office: Cranley Heath, Woking, West Hants GU24 0NR. Subsidiary Companies based in Australia, Japan, Hong Kong, Singapore, Taiwan, Malaysia, Philippines, Germany, Italy, Canada and U.S.A.

PEARSON LONGMAN

LONGMAN · PENGUIN · FINANCIAL TIMES · WESTMINSTER PRESS · GOLDCREST FILMS & TELEVISION

A publicly listed subsidiary of S. Pearson & Son

Results for 1981

	1981	1980
Turnover	£271.6m	£226.2m
Profit before tax	£21.2m	£15.7m
Profit after tax	£13.5m	£14.0m
Earnings per ordinary share	32.6p	34.0p
Dividends per ordinary share	9.4p	8.4p

Group profits before tax have increased by 35 per cent to £21 million despite the continuation of very difficult trading conditions for our newspaper businesses.

The book companies did particularly well and both Longman and Penguin achieved record profits. We are particularly proud of the recovery of profitability of Penguin Books which has reaffirmed its reputation as the leader in British paperback publishing. Longman, which during the year was reorganised to include Ladybird, also had an excellent year. Its comparable profits improved by 45 per cent to £11.5 million and sales now exceed £60 million. Longman remains one of the most profitable book publishing companies in the United Kingdom.

The Financial Times had a better year than 1980, although there is still a long way to go before the profits of the newspaper have fully recovered. Westminster Press continues to suffer from a very difficult advertising market especially in job advertising. The volume of job advertising is now more than 70 per cent lower than at the beginning of the recession in 1979.

The Goldcrest Films and Television Group was formed during the year and we have built a first-class team that aims to play a leading role in the regeneration of the British film industry. The development cost this year has been high and it will be some time before Goldcrest makes a major contribution to Pearson Longman profits.

During the year we made a number of significant strategic investments including a 25 per cent share in Yorkshire Television, the creation of Goldcrest Television, the purchase of a major legal publishing business, as well as a number of specialist publishing lists throughout the world.

The board is recommending a final dividend of 5.607 pence per share bringing the total for the year to 9.357 pence, an increase of 12 per cent over 1980.

The annual report will be despatched on 4th May 1982 and the annual general meeting will be held in London on Friday, 28th May 1982.

A copy of the full announcement is available from the Secretary, Pearson Longman plc, Millbank Tower, Millbank, London SW1P 4QZ. Telephone: 01-630 5051



WHSMITH
 W.H. Smith & Son (Holdings) PLC

Results 1981/1982

	1981/82 £million	1980/81 £million
TURNOVER	773.0	681.1
TRADING PROFIT	23.3	18.9
Net interest payable	2.2	2.8
PROFIT BEFORE TAX	21.1	16.1
Taxation	8.4	8.7
PROFIT AFTER TAX	12.7	18.4
Extraordinary items - loss	4.0	1.0
NET PROFIT	8.7	9.4

	per 50p share	
Earnings before extraordinary items	14.9p	12.9p
Dividend for the year	5.25p	4.6p

* TURNOVER UP	13.5%
* PROFIT BEFORE TAX UP	31.2%
* CAPITAL EXPENDITURE	£164 million
* DIVIDEND INCREASE	14.1%

For copies of our Annual Report and Accounts and the Staff Report please write to the Company Secretary at Strand House, 10 New Fetter Lane, London EC4A 1AD on or after 20 May 1982.

Companies and Markets

UK COMPANY NEWS

W. H. Smith expands 31% to £21.17m: pays more

WITH BETTER results being achieved by the newspaper and book wholesaling and book distribution and publishing sectors, W. H. Smith and Son (Holdings) returned considerably improved profits for the year ended January 30, 1982, the pre-tax figure emerging 31.2 per cent higher at £21.17m, compared with £16.13m previously.

Group turnover after inter-group sales rose from £881.12m to £778.95m, an increase of 13.5 per cent, and at the trading level profits came through £4.5m ahead at £23.28m.

Earnings per 50p A share are given as 14.9p (12.3p) before extraordinary debits and a final dividend of 3.75p (3.2p) raises the net total to 5.25p, against 4.6p last time. The total dividend on the 10p B shares rises to 1.05p (0.92p) with a final of 0.75p.

Mr P. W. Bennett, the chairman, describes the results as "gratifying" and points out that to a considerable extent they represent the fruits of an increase in productivity and cost reduction achieved during the past few years.

He says the ratio of profit to sales has returned to a level more comparable to that achieved by the wholesale sector in Britain.

The pre-tax profit included a share of profits this time from associates totalling £9,000 (£1,000

House of Fraser falls to £28.03m: raises payout

STORES GROUP House of expenditure has been allocated to store promotion, merchandising and advertising.

Work has started on the 42,000 sq ft expansion programme at Harrods; building work began in February 1982 to extend the Bromley store by 20,000 sq ft. In Perth the existing store has been demolished and the building of a new store is about to start.

Sites for the building of two computerized regional distribution warehouses have been chosen to serve the Dingles and Army and Navy Store Groups.

The group's computerisation programme is ahead of plan which, when fully implemented, should enable it to operate with fewer staff, improved purchasing control, improved control of credit sales and reduced investment in stocks.

The directors are continuing their review of the group's property portfolio and plans are well advanced for the redevelopment or sale of low earning and redundant assets.

Harrods has successfully introduced a twice yearly mail order magazine and since the year end has negotiated a trading link with Mitsukoshi, the largest department store group in Japan, they say.

Pre-tax profits were struck after rents payable of £8.23m (£8.35m), depreciation of £12.45m (£9.56m) including a £1.94m additional charge due to property revaluation, and £11.1m (£1.38m) for an employees'

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in arrears or in advance and the subdivisions shown below are based mainly on last year's timetable.

TODAY
Interim—Aberdeen Trust, Anson, Ben Bailey Construction, S. Simpson, United Wine
Final—BSG International, Henry Boot, De Vere Hotels and Restaurants, Brownsea, Berved, Flight Refuelling, Highcroft Investment Trust, Holyrood Rubber, Hongkong (Salangor) Rubber, Hopkings, Kuala Selangor Rubber, Marks and Spencer, Moss Bros, Office and Electronic Machines, George Wimpey, Yule Carr.

profit-linked share plan. The profits included a contribution from associates of £39,000 (£73,000) and a surplus on the sale of properties, less reorganisation costs of £1.15m (£1.41m).

Tax took £3.38m (£9.9m) reduced by £4.9m additional stock relief. Extraordinary credits amounted to £1.56m (£1.61m) representing the net gain on the sale and lease-back of Rackhams in Birmingham of £2.09m, reduced by £531,000 for the costs of the defence document and Monopolies and Mergers Commission enquiry following the bid from Lorbis. This left attributable profits of £26.21m (£22.12m).

See Lex

Wm Morrison Supermarkets PLC

SUMMARY OF RESULTS (£'000's)

	1982	1981
Sales	198522	171208
Profit before taxation	7554	5971
Taxation	2959	716
Profit after taxation	4595	5255
Earnings per share	10.0p	11.4p

Points from the statement of the Chairman, K. D. Morrison:

*Both sales (up 16%) and profit before taxation (up 26.5%) reached record levels.

*Trading developments included a new store at Harrogate and petrol stations at two of the Bradford supermarkets.

*A new store at Staveley, near Chesterfield, will open in April adding 35,000 square feet to the company's selling area. Negotiations have been completed for the acquisition of a superstore of 40,000 square feet in Preston scheduled to open in autumn 1984.

*Proposed dividend increase by 12%.

Copies of the 1982 Annual Report may be obtained from the Secretary, Wm Morrison Supermarkets PLC, Hillmore House, Thorman Road, Bradford, West Yorkshire BD8 9AX.



the better way to shop and save

Near £1m profit and 2.5p dividend from Petrocon

RECORD LEVELS of turnover and profits at Offshore Drilling Supplies were a major influence behind the turnaround in pre-tax results for 1981 at Petrocon Group. The figure moved from losses of £17,997 to profits of £98,026, with second half profits ahead by £517,000.

After no payment last year, the dividend this time is 2.5p with a final of 1.75p. Earnings of 12.5p share are given as 18.98p (losses 2.13p).

The company makes equipment for the oil, petrochemical, process and water industries.

"The group has made a sound start to the year," says Mr Peter Hodgson, chairman, "in spite of the reported slowdown in international drilling."

Several important new accounts were obtained by Offshore Drilling which will broaden its range, he adds.

Turnover was lower at £9.1m, against £11.97m. Turnover and pre-tax profits include £2.07m (£1.88m) and £82,974 (£251,486) respectively for Ashford Controls which was sold in December 1981.

comment

After several years of falling profits Petrocon indulged in some lengthy soul-searching two years ago—not long before it was dawned by NCC. Since then all the manufacturing operations have been cleared out and the company has returned to an oil and gas service business. Employees have dropped from 650 to under 70 and profits have been put on the road to recovery. Loss elimination has obviously been a big factor especially the sale of Ashford which had made combined losses in the previous two years of over £660,000. Also that sale has helped transform the balance sheet which now boasts £11m of cash against under £300,000 a year ago. All this has been reflected in a share price which has more than doubled since last year's low point. Now at 75p the fully taxed p/e is 91 and the yield 5 per cent. That is about right bearing in mind that any weakness in the oil sector works straight through to profits. Postage drilled is now the key to income.

Central & Sheerwood lift

A TURNAROUND in the second six months lifted Central and Sheerwood, engineering, financial services, printing and publishing holding company, to a £263,000 profit for 1981, little changed from £284,000 in 1980. A £123,000 loss was reported at mid-year.

A final dividend of 0.55p (0.5p) net maintains the total at 1.05p. 1981 p/e share is given as 14.4n, compared with earnings of 0.97p.

Turnover rose from £83.83m to £94.79m, and trading profit from £2.55m to £3.45m. After a tax charge of £420,000 (£242,000 credit) a net loss of £137,000 was recorded, against a net £26,000 profit.

comment

At last Central & Sheerwood has started to chip away at the Ransomes & Rapier's high stock levels which developed two years ago as customers became reluctant to accept deliveries on time. But this has done nothing to ease the borrowings which the build-up triggered, and total debt remains around 64 per cent of equity. Ransome crane orders have stayed in the doldrums and though the drag Hoe order book is strong the long lead time means the benefits will not come through until the second half of 1982. Meanwhile the recovery forecast at mid-term last year is taking a little longer than anticipated but current performance indicates that it is still underway and should be reflected in this year's half-time figures. An optimism supported by the share price which yesterday rose 2p to 14 1/2p yielding 10.7 per cent.



N.V. Beleggingsmaatschappij Wereldhave 1981 DIVIDEND

On April 28, 1982 at the Annual General Meeting of the Shareholders the dividend for the financial year 1981 was fixed at Dfl. 7.00 in cash, together with 3 1/2 per cent as a tax-free bonus issue to be charged to the share premium reserve. An interim cash dividend of Dfl. 3.25 was distributed in September 1981. The final dividend will be payable from May 7, 1982 as follows: on presentation of coupon No. 21 payment of Dfl. 3.75 in cash, less 25 per cent dividend withholding tax will be made per ordinary share of Dfl. 20 each; coupon No. 22 will represent the 3 1/2 per cent bonus issue and on presentation of the correct multiples of coupon No. 22 new ordinary shares of Dfl. 20 each will be issued.

Dividend coupons both for cash payments and in exchange of shares may be presented at Pierson, Heiching & Pierson N.V., Algemene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., N.V. Slavenburg's Bank, Nederlandsche Middenstandsbank N.V. or Bank Mees & Hope N.V. in Amsterdam, Rotterdam or The Hague or at the offices of Morgan Grenfell & Co. Limited, 21 Austin Friars, London EC2N 2HE. Any shares arising from the bonus issue not claimed by December 1, 1982 will be aggregated and sold and the proceeds kept available for coupons subsequently presented on a pro-rata basis. When a bank or broker presents coupon No. 23 these coupons should be stamped with the name of the presenting office on the back of the coupon.

In connection with the exchange of coupon No. 23 a statutory payment will be made by the Company to the Vereniging voor de Effectenhandel ('Association of Members of the Amsterdam Stock Exchange'), shareholders will therefore be able to collect their bonus issue without paying a commission.

Shareholders who request their bank to arrange for the delivery of the bonus issue on their behalf may be charged in accordance with the rules of the Nederlandse Bankassociatie (Netherlands Bankers Association).

The necessary shares to satisfy the bonus issue in full will remain irrevocably deposited at the offices of Pierson, Heiching & Pierson N.V. in Amsterdam until December 1, 1982 to the extent that they have not been taken up by shareholders.

By Order of the Board of Management
The Hague
April 28, 1982

1981. Another record year for The Hongkong Bank Group



M.G.R. Sandberg, OBE

Mr M.G.R. Sandberg, Chairman, reports:

Another record year

1981 proved to be another record year for the Group with profit up about 40% over last year to HK\$2,003 million.

A final dividend of 44 cents is recommended which with both the interim dividend and the increases in capital following last year's bonus issue and the rights issue means that the total distribution will show an increase of \$272,151,649 or 37.6% over that of 1980. This distribution of 65 cents compares with the forecast of 60 cents.

The response to the rights issue was gratifyingly high. At the end of 1981, before the bonus issue mentioned below but after last year's bonus and rights issues the number of shares in issue was 1,559,927,575.

We are again this year recommending a bonus issue of one new share for every three held.

Your Directors expect to declare dividends totalling not less than 48 cents per share on the capital as increased by the bonus issue.

World conditions

Generally, 1981 was characterised by instability and sluggish growth in the world economy. The baleful twins of inflation and unemployment continued to affect many of the major industrial nations. The volatility of exchange rates was a disturbing feature of the international financial scene.

The likelihood is that the present stresses on the world's trading system will become worse and that pressure towards protectionism may strengthen.

It is particularly important to the Asia-Pacific area that trade and investment should not be subjected to the defensive tactics of other regions. During the year the economies of this region managed to remain comparatively buoyant, producing a real growth rate of around 4%. This rate was achieved because of the capacity of the various nations to produce competitively in difficult conditions.

Bid for Royal Bank

The referral of our bid for The Royal Bank of Scotland Group to the Monopolies and Mergers Commission resulted in long negotiations during the year. The eventual recommendation of the Commission was a disappointment. We had hoped, and still believe, that a partnership with The Royal Bank would have assisted its development and would have provided both Groups with an opportunity for international expansion. It remains our belief that by linking with the Royal we would have made a major contribution to increased competition in British banking.

We shall continue to expand our presence in the United Kingdom and Europe in ways consistent with our strategy of meeting the market's need for the widest possible range of financial services.

Hong Kong Despite the generally depressing world economic scene Hong Kong managed to maintain a strong export performance and this continuing strength was reflected in the encouraging results achieved by our operations in Hong Kong.

Our branch network continued to expand, and at the end of 1981 we had 275 branches throughout the territory.

Results from the Hang Seng Bank continued to be most satisfactory and the Bank again increased both profits and dividends to record levels.

International Growth

Marine Midland reported a successful year with increased earnings. The implementation of

their strategic plan for the 1980s not only indicates a strengthening of Marine's position in the US domestic banking scene, but also internationally. In this area there will be increasing opportunities for closer co-operation with the HSBC, and plans are well advanced for a joint venture to extend the range of customer services.

Hongkong Bank of Canada was established in October 1981.

Another development in the expansion of our international network was the creation of Hongkong Egyptian Bank SAE, a joint venture in which HSBC has a 40% equity interest and the management contract.

We shall also shortly be establishing an operational presence in Pakistan and Chile.

The British Bank of the Middle East continued to make good progress, producing

profits of more than £14 million, a 54% increase on 1980 figures. Despite recurrent political instability in the region, business activity expanded steadily and the Bank was able to take advantage of lively trading conditions. The Saudi British Bank, in which BBME has a 40% shareholding, had another good year and continued its programme of phased expansion.

Our operations in the Lebanon are being rationalised which will result in the number of BBME branches increasing from five to nine.

Mercantile Bank Limited improved its profitability overall. Results for India were most satisfactory with increased deposits resulting from effective marketing efforts.

Merchant Banking

Our main merchant banking arm, Wardley Limited, and its subsidiaries reported another successful year with a net profit of just over HK\$200 million, a 24% increase over 1980.

Wardley Australia Limited very satisfactorily expanded its share of their market.

Wardley's own overseas services network was expanded, notably by the acquisition of a controlling interest in Equator Bank Limited, which specialises in business in equatorial Africa.

Wardley Middle East Limited also had a good year, profiting from an increase in merchant banking business in the Gulf.

The process of reorganisation of Antony Gibbs, consequent upon its becoming a wholly-owned subsidiary, continued throughout 1981. We remain hopeful that Antony Gibbs will make a worthwhile contribution to profits in 1982.

Other interests

Our finance companies in Hong Kong, Brunei, Malaysia and Singapore put in good performances, maintaining their level of business at a time of high interest rates and increased local competition.

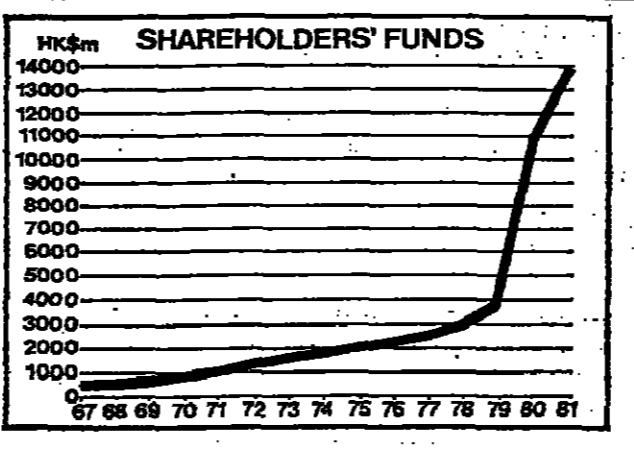
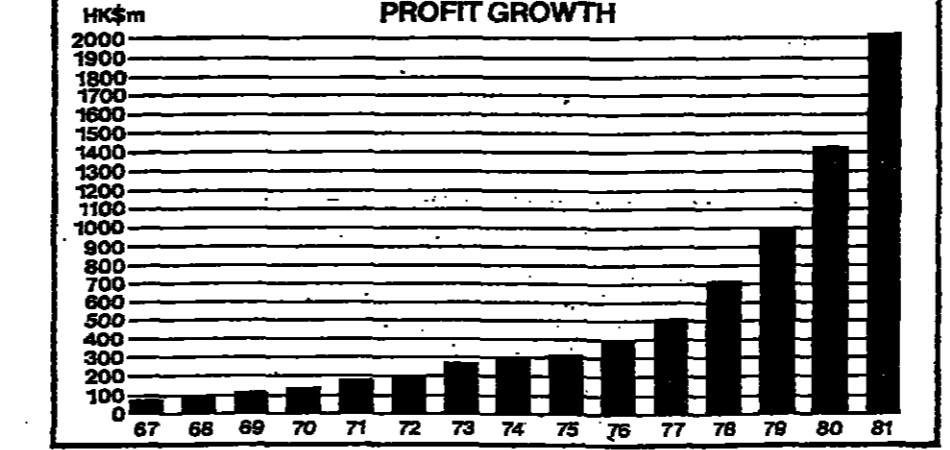
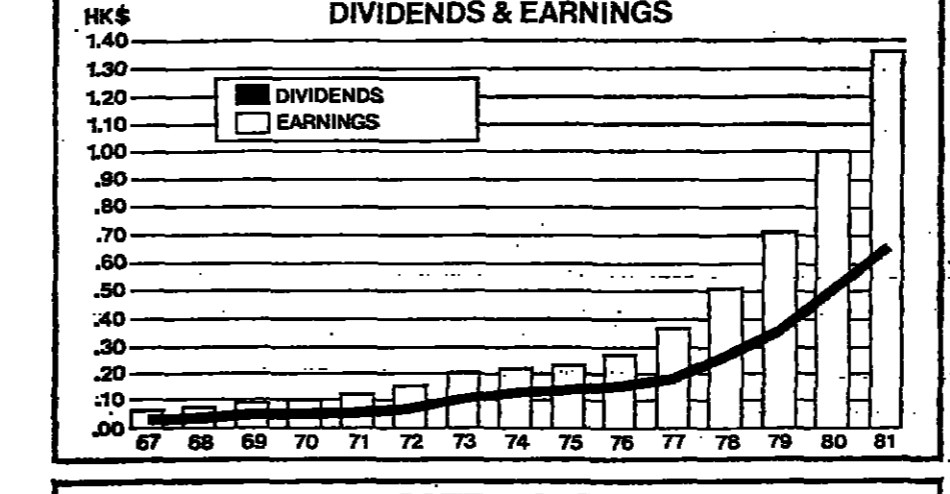
The growth of our international insurance operations continues to be most pleasing and they made increased contributions to Group profits.

Wayhong Investment Limited, which holds our transportation portfolio, had a generally satisfactory year. Cathay Pacific Airways was able to achieve a good operating profit at a time when most airlines are reporting losses.

Dividend income from The World-Wide Shipping Group was marginally lower for 1981 but although shipping remains in the doldrums we continue to receive a satisfactory return.

Your Group is now acknowledged as one of the most dynamic banking groups in the world.

15 years' growth - highlights



1981 HIGHLIGHTS

	1980	1981	1981
	HK\$ millions	£ millions	
Total Assets	242,953	304,206	28,032
Issued Capital	2,786	3,899	360
Total Shareholders Funds	10,326	14,060	1,296
Group Profit	1,431	2,003	185
Transfers to Reserves	454	540	50
Total Distribution	724	996	92
Earnings per share (adjusted)	1.00	1.35	12.0
Dividend per share	0.50	0.65	6.0

The Hongkong and Shanghai Banking Corporation

Marine Midland Bank • The British Bank of the Middle East • Hang Seng Bank Limited • Wardley Limited • Antony Gibbs & Sons Limited • Mercantile Bank Limited

Fast decisions. Worldwide.

BIDS AND DEALS

Imps confirms plans to dispose of Country Pride

IMPERIAL GROUP, the leading tobacco, food and brewing group, has confirmed that it is discussing the sale of its last remaining poultry interests. These are represented by Country Pride, the U.S. subsidiary which Imperial bought from Pilsbury Farms for \$20m in 1973.

It is the fourth biggest company in the U.S. chilled and packed chicken market. In the first six years after its acquisition by Imperial, it earned pre-tax profits of \$46.4m, though this aggregate does not reflect a marked volatility of earnings.

thought it would be "about two months to the conclusion of the deal" assuming a satisfactory outcome to its investigations which are now under way.

S. Pearson terms value Longman minority at £54m

S. Pearson and Sons yesterday unveiled a \$54.2m agreement for the publicly held minority interest of 36.4 per cent in the group's separately quoted publishing subsidiary Pearson Longman, whose interests include the Financial Times.

In yesterday's trading on the stock market, shares in S. Pearson fell 9p to 235p while shares in Pearson Longman eased 2p to 336p.

book companies, where both Longman and Penguin achieved record profits, contributed to the improvement. Longman, which during the year was reorganised to include Ladybird, showed pre-tax profits improved from £3.7m to £11.5m.

Unilever eyes North America

AT A press conference yesterday Sir David Orr, the chairman of Unilever PLC, revealed that the directors were interested in having a bigger proportion of the group's capital employed in North America.

The board, he said, was determined to get ahead in America and also saw Japan as an important growth area. In product areas opportunities were seen in personal products, specialty foods and chemicals and such areas as biotechnology.

THE LILLESHELL GROUP 1981 ANNUAL TRADING RESULTS. Table showing turnover, profit, and dividends for 1981 and 1980. Includes Chairman's Statement and Frizzell Group logo.

Full terms of the offer for the 36.4 per cent minority interest in Pearson Longman are as follows: for every 15 ordinary shares of 35p each in Pearson Longman shareholders are offered 22 new ordinary shares of 25p each in S. Pearson.

Allied Lyons yesterday made a £6.42m takeover offer for J. & W. Nicholson, a private holding company with interests in gin distilling, public houses and hotels.

The Goldcrest Films and Television Group was formed during the year and Pearson Longman said yesterday that it aims to play a leading role in the re-generation of the British film industry.

Refuge announced after the market's close last night that it had withdrawn its offer in view of Britannia's higher bid, which included a cash alternative equivalent to 103 per cent of G and C's net asset value.

During the year Pearson Longman made a number of significant strategic investments, including a 25 per cent share in Yorkshire Television, the creation of a cash alternative.

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London Traded Options

Table of London Traded Options for April 28, 1982. Columns include Option, Exercise price, Vol., and various market data.

THE FRIZZELL GROUP LIMITED '24% profit increase in 1981'. Advertisement featuring Colin Frizzell, Chairman, and a list of company achievements.

Nicholson's turnover in the year ended December 31 1980 was £7,865,132 with pre-tax profit of £510,069.

The shares of all three companies closed unchanged before the announcement with Refuge at 230p, Britannia at 40p and G and C at 252p.

On April 28 British Printing and Communication Corporation bought 10,000 ordinary in Lonseale Universal at 65p per share, bringing its holding to 930,000 shares (10.36 per cent).

Mr YITZHAK BERMAN, Israel's Energy Minister, held further talks in London yesterday about possible collaboration between his country and Lonrho, the trading conglomerate headed by Mr Roland "Tay" Rowland.

The meeting between Mr Berman and Mr Rowland was also attended by Mr Avraham Kishinir, Commercial Counsellor of the Israeli Embassy.

Barclays says talks on tax levels are 'welcome'. Discussions with the Government about the taxation of banks would be welcome, Mr Timothy Bevan, chairman of Barclays Bank told members yesterday.

EUROPEAN OPTIONS EXCHANGE. Table showing various options series, volumes, and prices for different companies and regions.

The Frizzell Group Limited Registered Office: Frizzell House, 14-22 Elder Street, London E1 6DF.

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TOTAL VOLUME IN CONTRACTS: 5798. Legend: A=Asked, B=Bid, C=Call, P=Put.

Companies and Markets

WORLD STOCK MARKETS

Low off 2.1 at mid-session

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, April 27, and April 28.

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TRADING ON Wall Street remained fairly substantial early yesterday, although stock prices tended to ease as investors awaited developments in Federal Budget negotiations in Capitol Hill.

The Dow Jones Industrial Average, which fell 3 points on Tuesday from a three-month high, was 210 easier at 855.40 at 1 pm. The NYSE All Common Index slipped 30 cents more to 867.65, while declines led rises by a seven-to-one ratio.

Analysts said investors were reluctant to enter the market ahead of President Reagan's meeting with Congressional leaders that afternoon.

Reports from Washington indicated that Congress and the White House were apart on a Budget compromise, and Senate majority leader Howard Baker said that the lack of bipartisanship could lead to a tumultuous session.

Investors are also concerned about the possible escalation of the crisis over the Falkland Islands.

Most issues showed only marginal price movements, other than those in special situations and particularly those reporting lower earnings.

Boeing was the volume leader and shed 1/8 to \$19. The company reported lower first-quarter results earlier in the week.

Other stocks that slipped on news of poor financial results included Xerox, off 1/8 to \$33, Mobil, off 1/8 to \$21, and Panhandle Eastern, off 1/8 to \$30.

Closing prices for North America were not available for this edition.

Canada Markets in Canada remained easier-inclined yesterday morning in light trading. The Toronto Composite Index was off 1.9 at 1,599.5 at noon, while the Gold Share Index fell 25.1 to 2,433 and Oil and Gas 18.4 to 2,702.5.

Among the active issues, Dome Petroleum lost 1/8 to C\$8. TransCanada Pipelines, which reported higher first-quarter earnings on Tuesday, was up 1/8 to C\$21.2.

The market closed mixed overall after moderate trading. Investors were said to be exercising caution over the economic picture in the market average over the past nine days and also ahead of the spring holiday week, which starts today.

The Nikkei-Dow Jones Average relinquished 11.88 to 7,405.23, but the Tokyo SEI index edged up 0.50 more to 546.55. Volume came to 770 million shares (350M).

Light Electronics, Precision Instruments, Steels, Heavy Electric Machines and some other market leaders were lower on profit-taking, but Motors moved up strongly.

Investors were encouraged by some signs of a recovery in the U.S. motor industry, and Toyota rose 2/8 to Y900, Honda Y7 to Y762, Nissan Motor Y20 to Y820 and Toyota Kogyo Y22 to Y762.

In contrast, Sony lost Y80 to Y3,350, Fuji Photo Y20 to Y1,430, Nissan Electric Y8 to Y757, Hitachi Y80 to Y815, Canon Y14 to Y780, YDR Electronic Y100 to Y3,420 and Olympus Y16 to Y807.

News of a record West German March trade surplus of DM 6.4bn revived buying interest in the stock market late in the day, halting an earlier downward trend.

Most of the spare price falls were pared by the close, with some issues recording net gains.

Among Export-oriented Electronics, KDD closed only DM 0.50 down at DM 174, after reaching DM 171, while GHH rose DM 1.50 on the day to DM 183.50.

Several brokers said yesterday's profit-taking was likely to continue in the near term, but that the market overall would probably not recede to below the 1,250 mark.

After tending to drift easier for most of the session, markets showed some recovery near the close. The Minings and Industrials sectors finished rather mixed on the day. However, the Oil and Gas group, despite further good news on the well drilling front, ended lower on profit-taking, particularly the general upturn of the past ten days.

Brokers said some leading stocks were higher on the day at the close, and pointed to an improvement in Call Options as a hint of a longer-term improvement in the market. A fall-off in overseas investment was seen as a caution, particularly in London, over any escalation in the Falklands dispute.

The All Ordinaries index ended a marginal 0.5 ahead at 508.3, but the Oil and Gas sub-group index lost 4.4 at 476.8.

Gas flows from Borah Creek and an oil flow of 200 barrels a day from an Amadeus Basin well, East Merivale No. 6, made no impact. Hartigan, with a 100 per cent working interest in Borah, was off 15 cents at AS\$0.5, while Oilman, with 21 per cent of Borah, was down 3 cents at 60 cents.

On a brighter note, BHP gained a net 4 cents at AS\$7.34, as did Santos at AS\$2.26, while Pancontinental put on 12 cents to AS\$1.80 and Metal Miner MIM 7 cents to AS\$2.2.

Reflecting movements in the international Bullion price, Gold shares retreated 1/8 in the day from earlier firmness to end narrowly mixed on balance.

Among heavier-priced producers, Deere rose 50 cents at R1.75, but Klod shed 50 cents at R27.50.

Paris Bourse prices closed mixed with a slight upward bias as gloomy predictions about the French economy.

Dealers said yesterday's report by the National Statistics Institute (Insee) that the French business climate is deteriorating had little impact on trading.

Leading shares mainly succumbed to profit-taking yesterday as many brokers had expected, following a week of gains. However, second-line issues tended to improve.

The Hang Seng index shed a modest 6.43 to 1,289.63. There was a reasonable turnover on the day, with a total of 1,000 million shares transacted, of which 400 million were on Tuesday's record HK\$672.14m, while both days fell far short of Monday's record HK\$72.06bn.

Brokers said that Hong Kong Land and the parent were still under review, but that the Utility's shares since the raid that began early on Monday. A company source said that investors are likely to keep buying small numbers of shares in the next few days to take advantage of price falls and give smaller investors a chance to realise profits on the offer. The investor said that they will only buy up to 35 per cent of HK Electric's stock. HK Land Electric 5 cents to HK\$7.30, but HK Electric climbed 20 cents to HK\$6.50.

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Indices

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NEW YORK ACTIVE STOCKS

Table of active stock prices in New York.

STANDARD AND POORS

Table of active stock prices in Standard and Poors.

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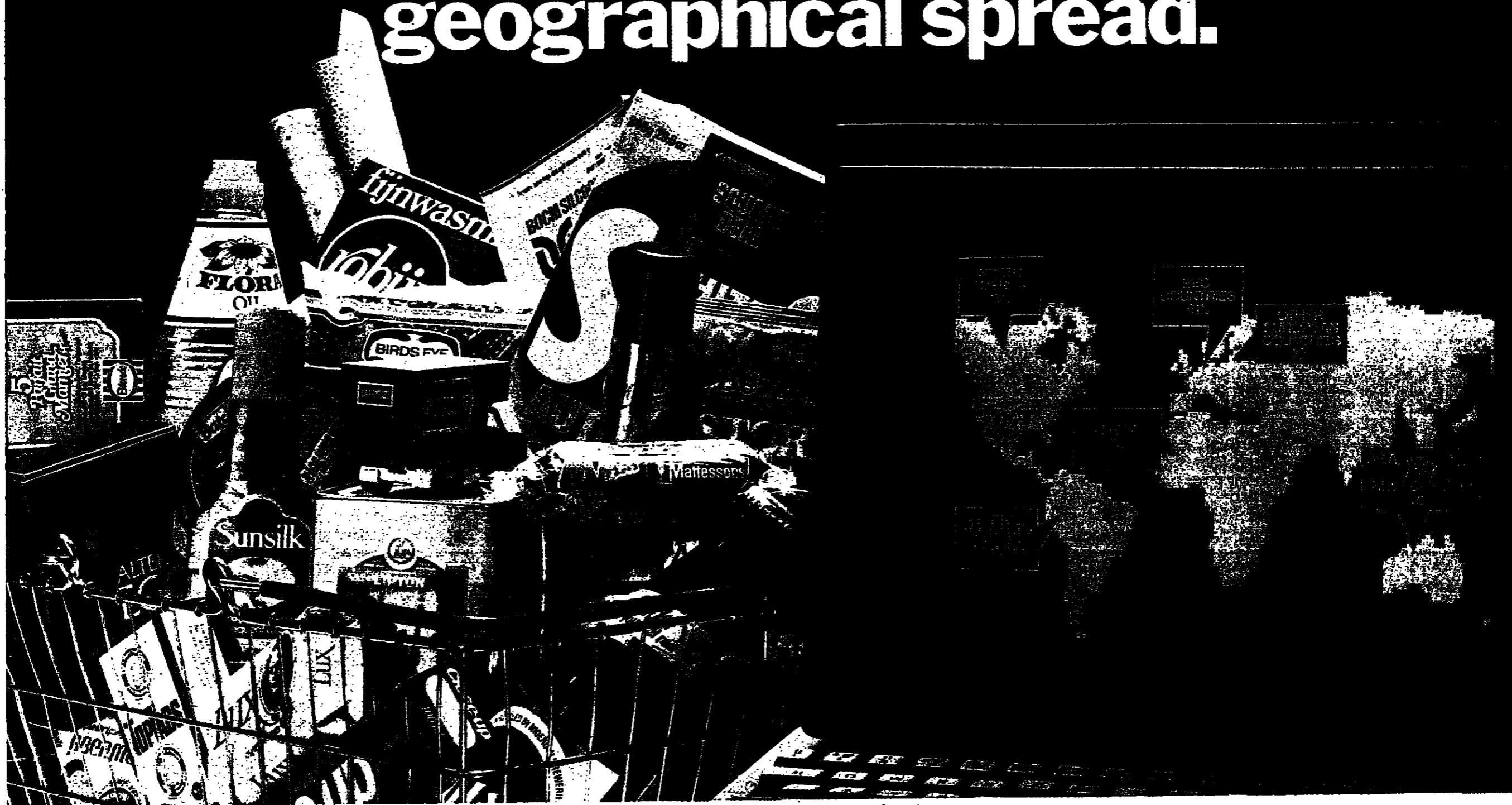
Table of active stock prices in New York.

STANDARD AND POORS

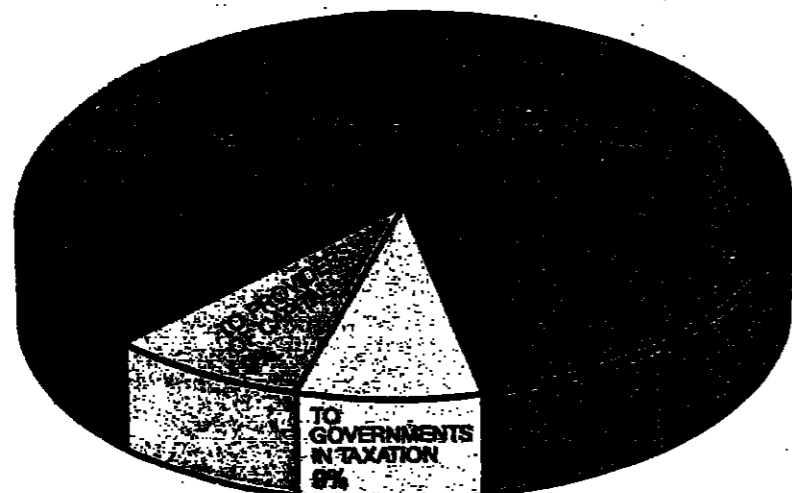
Table of active stock prices in Standard and Poors.

Financial Times Thursday April 29 1982

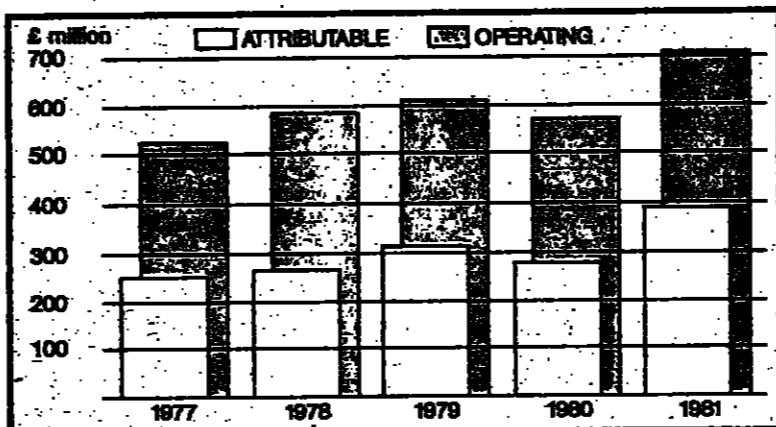
Financial strength; product diversity; geographical spread.



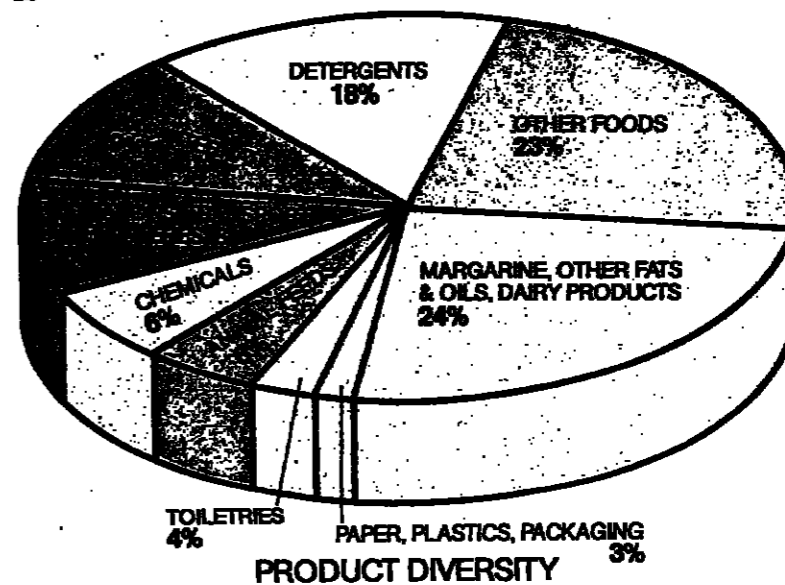
The facts behind Unilever's 1981 performance



£3,277 million VALUE ADDED



PROFITS



The year in brief

In a difficult year for trading, sales to third parties rose by 17% to £11,889 million. Our operating profit was £705 million, an increase of 22.6% over 1980.

Economic activity remained low in Europe and North America, and consumer expenditure was depressed. The rapid rise in unemployment was particularly disturbing, and inflation remained a problem. Falling export prices and debt servicing costs restrained growth in many developing countries, though a number of other countries' growth was good.

Despite these difficult conditions the wide geographical and commercial range of our activities enabled us to seize the opportunities offered to us where growth was good, while consolidating and improving our position elsewhere. We continued to increase efficiency and productivity by reorganising our operations where necessary.

Most of our companies selling goods to retail and consumer markets continued to maintain or improve their performances. Our companies selling goods and services to other industries were operating in markets seriously affected by over-capacity — but several of them showed a worthwhile improvement, the results of their efforts to increase efficiency and reduce excess capacity where it existed.

We were able to achieve a sales volume increase of two per cent, slightly lower than the increases in the last three years. Results showed a significant increase over 1980, but there were considerable variations between geographical areas and product groups. We devoted substantial resources to maintaining brands by theme advertising and in other ways, and to maintaining our research effort for innovation and product improvement.

Financial background

The outstanding feature affecting business during the year has been high interest rates, resulting in heavy finance costs. In these circumstances control of capital and cash management assume great importance, and we have been able to perform well in both.

Exchange rates behaved less erratically than in 1980, the change of most significance being the sharp rise of the US dollar against all other major currencies.

Prospects

There are no grounds for taking an optimistic view of the world economic prospects for 1982. Consumer expenditure may well fail to rise. The world political scene remains full of uncertainties which do not help economic recovery. However, there is some hope that crude oil prices will remain stable, and that inflation will decline.

During 1982 Unilever will continue to improve the efficiency of its operations, and seek to go on strengthening its position in the market place.

Employees

Nearly 300,000 people, who work for the parent company and for its subsidiaries around the world, have put their efforts into the results on which we now report. We thank them for maintaining in 1981 the high standards on which Unilever's continued growth and success depend.

Copies of the 1981 Report and Accounts have been posted to shareholders and holders of debentures and unsecured loan stock of Unilever PLC.

Unilever

Unilever comprises Unilever PLC, Unilever N.V. and their respective subsidiaries which operate in seventy-five countries. The Report and Accounts of PLC as usual combine the results and operations of PLC and N.V. with figures expressed in sterling.

If you would like to receive a copy of the Report and Accounts, please fill in the coupon.

To: The Company Secretary,
Unilever PLC, PO Box 68,
Unilever House,
London EC4P 4BQ.

Please send me a copy of your 1981 Report & Accounts

Name _____

Address _____

De Beers

...any improvement in the world economy and in particular in business conditions in the United States should be rapidly reflected in the diamond industry

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The fall off in the demand for diamonds in the larger sizes and finer qualities... investment goods in which speculation during the boom years was especially concentrated. These sizes and qualities normally account for a large proportion of the CSO's sales. Sales of the smaller sizes and lower qualities have generally speaking been satisfactory and the consumption of diamond jewellery particularly, though not exclusively, at the lower end of the market has continued at a high and encouraging level. The market for the rare and expensive items of jewellery is adversely affected to a much greater extent than the rest of the market by the unprecedented levels of interest rates particularly in America. In previous statements I have drawn attention to the obvious dangers of speculation in the cutting and premium prices and on this account the recession in the diamond industry started sooner and is perhaps deeper than the world economic recession as a whole. This speculation was largely financed by bank credits and it is satisfactory to see that by now largely on account of our policy of withholding diamonds from sale when the market is weak, the level of bank credit in the leading cutting centres has been substantially reduced, in some cases by as much as 50 per cent and now generally speaking at a reasonable level. This reduction strongly suggests that the special reasons which existed for the recession in the diamond industry are a fair way to being overcome and that the continuation of a low level of sales reflects adverse economic conditions in general to a greater extent than circumstances peculiar to the diamond industry. We cannot expect prosperous conditions in the industry at a time of world depression and in particular where interest rates remain at their present high level. However, any recovery in the world economy and in particular in business conditions in the United States should be rapidly reflected in the diamond industry.

...any improvement in the world economy and in particular in business conditions in the United States should be rapidly reflected in the diamond industry

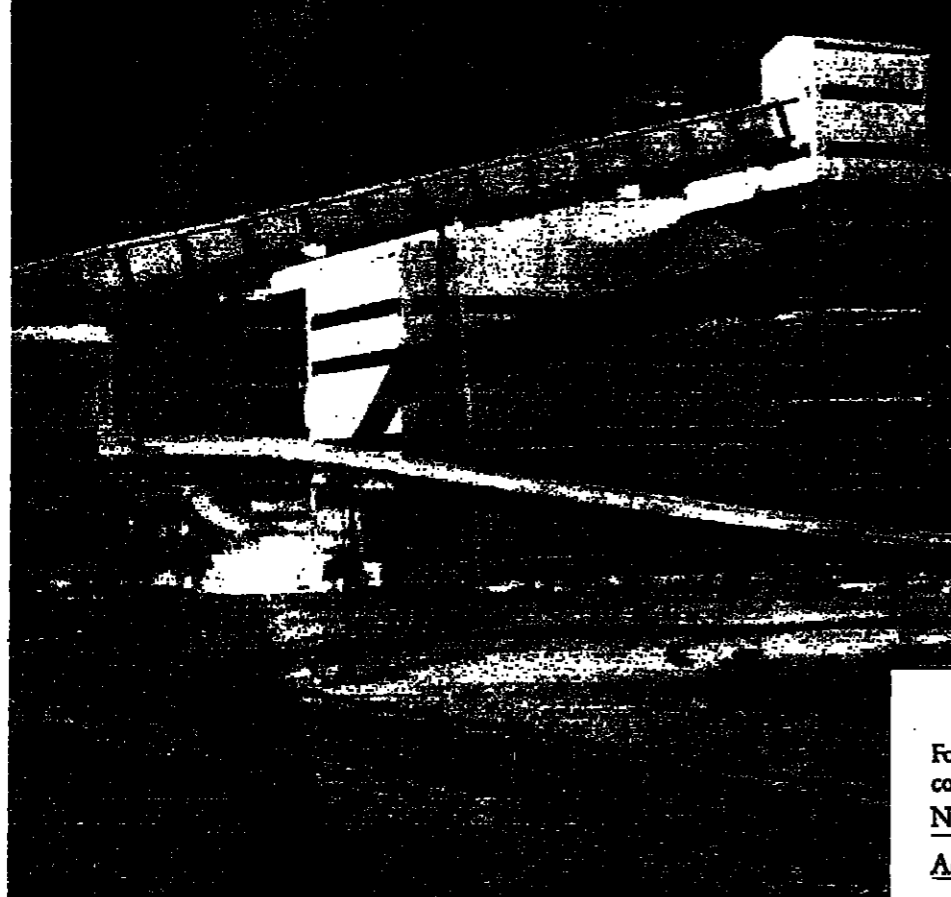
In November of last year the CSO, in order to lay a sound basis for recovery as soon as general business conditions improve, made important modifications in the manner of presentation of diamonds to the market. The sales assortments were altered so as to allow our customers to fit their purchases more accurately to their individual requirements in the new market conditions. It is essential for any trading organisation to be alive and sensitive to changing conditions and we are satisfied that the new selling approach we have introduced will help to preserve the value of diamonds and protect the stability of the trade. The state of the market for diamonds which are bought wholly or partly for investment is a matter of considerable significance, mainly from a psychological point of view since they have never made up a large proportion of the world trade in polished diamonds. Diamonds have proved particularly resilient during the recession and the demand for them has remained

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The treatment plant at the Jwaneng mine in Southern Botswana. Owned in partnership with the Government, Jwaneng was commissioned in January and is due to reach its initial rated capacity of 4.8 million tons per annum during the second half of this year. It is probable that the recovery grade will be higher than any other mine in this Group and the diamonds produced will be of medium quality. Jwaneng is probably the most important Kimberlite pipe discovered anywhere in the world since the original discoveries at Kimberley more than a century ago.

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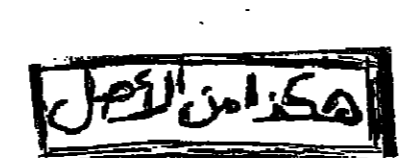


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De Beers

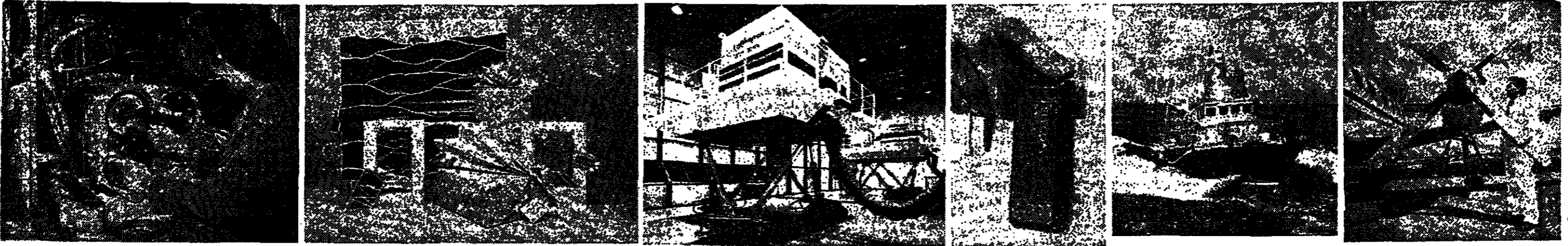
De Beers Consolidated Mines Limited

Incorporated in the Republic of South Africa
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FINANCIAL TIMES SURVEY

Thursday April 29 1982



Some of the many facets of design illustrated by this year's awards. Left to right: Maxwell bus gearbox (commanded)—"simple to service or replace"; Farhana stationery—work of art at a reasonable price"; Rediffusion Simulation's advance technology flight simulator; Standard Telephone and Cable's wide area radiopager; H&L Arun class lifeboat—"Rolla-Royce of lifeboats"; Dowty Roto's range of propellers for general aviation.



Design in British Industry

THE DESIGN COUNCIL AWARDS 1982

By Christopher Lorenz

A YEAR ago the Design Council shocked the design world by refusing for the first time to give any of its annual awards to textiles, glassware, ceramics, toys and other "decorative products". Then, in the early autumn, it delivered a more general broadside against the quality of design in British industry by mounting a controversial exhibition called "Designed in Britain, Made Abroad" which illustrated the disturbing extent to which British designers are having to work for foreign companies—many of them top importers into the UK.

Yesterday the Council was back in its more familiar promotional role, awarding accolades for a few exceptionally good British designs.

At first sight, things seem to be looking up. Among the 1982 Design Council Awards are five for decorative products and in the durable section furniture makes a showing for the first time in three years.

But beneath the surface the picture still seems depressing. None of the five decorative awards has gone to textiles or glass and the only ceramics winner is that stalwart of

design competitions, Hornsea Pottery. None of the winning companies is yet in a really mass market.

It is a similar story in the consumer durables section. The only furniture award goes, predictably, to Hille International, for several years a shining British light in an industry which is being swamped with well-designed imports. Sporting products are strongly represented as usual, especially several for the marine market, but where are the coffee makers, larger domestic appliances and video devices where the really big sales are made (and jobs created)? The only major exception is Clive Sinclair's remarkable ZX81 personal computer.

Like many of the better-known winners in the categories covering engineering, components, the motor industry and other sectors, Sinclair has received Design Council awards several times before. With several honourable exceptions, such as Rediffusion's remarkably successful flight simulators and REEP's clutch bearings, the rather repetitive character of the large company names in this year's list rings home the old message—that while British industry is just as capable as the Germans and Japanese of producing good designs (in terms of form, function and commercial vi-

ability in mass markets), the proportion of big companies dedicated to doing it is still tiny.

It is no good arguing, as some sceptics do, that the Design Council casts its net too narrowly or that its judging criteria are wrong or that the judges favour old stagers. Not only does the Council make sterling efforts to attract more

submissions—with considerable success in most categories, despite the reluctance of some companies to take part; its judges also look particularly hard for first-time winners. As far as small companies are concerned, they have certainly succeeded with this year's batch.

As for the argument that the Council favours form against function—appearance against technical performance, in layman's language—such a tendency can obviously produce highly subjective decisions made largely on the basis of that uncertain attribute, taste. This inevitably applies in some

measure to decorative products, where form has to be a predominant part of the design. But while allegations of subjectiveness on the part of the Council's judges of more technically based products may have been justified in the past, in the last few years they have paid much more attention to technical factors—and rightly so. It is doubtful if Sinclair's computer, for example, would have won an award this year if its technical reliability had been as questionable as some of his early calculators, which were prematurely honoured by the Council in the mid-1970s.

Even if one allows for the shortcomings of any sort of awards contest as a statistically accurate form of survey, the pattern of the Council's awards over a period of years still underlines the extent to which most of British industry continues to ignore the key role that product design and quality can play.

Yet this message has been preached for well over 125 years, since before the Great Exhibition. Only in the last few years have Whitehall, the National Economic Development Office and a few top industrialists woken up to the fact that British industry is

still exporting low-value products and importing high-value ones.

Early last year, even after a flood of research studies had reiterated the point, the then junior Minister at the Department of Trade admitted he was still unaware of it. Yet it has been made at frequent intervals since at least 1928, when in an official report Lord Eustace Percy dwelt on the dangers it posed to the British economy.

Behind the problem itself, and the persistent inability of the industrial, political and administrative establishment to either appreciate it or take remedial action, lies a complex set of deep-rooted factors. Most fundamental is the lack of emphasis placed throughout society on the importance of products, as opposed to the financial and commercial system which supports their trading and sale.

The only aspect of design which does receive some social acclamation is where it overlaps with art. But this is just the sort of acclamation which deters hard-headed industrialists from taking design seriously, and encourages them to continue treating it just as "putting pretty boxes round things" to use a tired cliché that makes most designers wince.

On the other hand, top

industrialists with an engineering background (a rare breed in Britain nowadays in any case) tend to see design purely in terms of technique and function. It is only the exceptional company, like Baker Perkins, which uses the industrial designer as a key synthesising force in the design and development of an engineering product in order to overcome all the interdepartmental barriers between design, R and D, marketing, production and so on which plague most companies outside Japan.

Behind the problem itself, and the persistent inability of the industrial, political and administrative establishment to either appreciate it or take remedial action, lies a complex set of deep-rooted factors. Most fundamental is the lack of emphasis placed throughout society on the importance of products, as opposed to the financial and commercial system which supports their trading and sale.

... the Prime Minister has put design on her short list of industrial issues worthy of particular attention

It was in 1979, when the NEDO-commissioned Corfield Report investigated design management in depth, that design last hit the national headlines. The report's apparent lack of impact on management practice since then, plus the pressure created by the "Designed in Britain, Made Abroad" exhibition, helped prompt the Prime Minister to put design on her short list of industrial issues worthy of par-

ticular attention and to hold a seminar-reception for designers, industrialists, civil servants and Ministers at Number 10 Downing Street three months ago.

Mrs Thatcher's meeting came only a week after the opening of London's new Boilerhouse gallery, which was accompanied by much media comment that its exhibitions programme will be featuring almost exclusively foreign products for many months to come.

Together, the two events helped rivet public and political attention on the inadequacy of design in most of British industry. Whether the momentum they have generated will have much practical effect in the short term must be doubtful but there are signs that Mrs Thatcher's meeting has opened the way to giving design more emphasis in the educational curriculum, both at school and in polytechnics.

It may also prompt the Department of Industry towards various forms of action, including possible extra support for an expansion of some of the Design Council's activities. The Industry Secretary, Mr Patrick Jenkin, has also mooted some enhanced form of product approvals system—though this would not, in fact, be welcomed by many designers.

However, the impact of industry, government, Design Council

and other design bodies such as the Society of Industrial Artists and Designers can only have a limited effect if society in general and industry in particular, remain hostile or apathetic to their message. If Terence Conran is right that the British consumer's appreciation of design is already beginning to advance by leaps and bounds—hence the booming sales of German domestic appliances and Japanese consumer electronics, for example—then the displays of Braun razors and Sony televisions at his Boilerhouse gallery could just have a catalytic effect out of all proportion to the scale of the project itself.

One of the most telling displays in the Boilerhouse's first exhibition was on the work of Raymond Loewy, a famous American industrial designer, who in the depths of the recession of the early 1930s demonstrated that good design helps sell a product even in a stagnant or declining market. Many of this year's Design Council Award winners are acting out this principle in practice. But unless they become the rule rather than the exception whole sections of British industry will continue to be wiped out by the Japanese steamroller at the top end of their markets and by cheap labour countries at the bottom.

NOW FORD CARGO WINS A DESIGN COUNCIL AWARD.

In January this year Cargo was voted Truck of the Year by top Commercial Vehicle journalists from all over Europe.

Now it's picked up a Design Council award for outstanding product design and low cost of ownership.

But as anyone in the truck industry knows winning awards is one thing, winning sales quite another.

That's why the most satisfying vote of all is the vote that's come from Truck operators themselves.

Thanks to them, Cargo has been outselling its main competitors threefold during recent months. Which means it is now the best selling truck in Britain just one year after its launch.

We simply couldn't have designed a better result.



FORD CARGO 6-32.5 TONNES 
Ford gives you more.

DESIGN IN BRITISH INDUSTRY II

A representative from the winners in the six award categories—shown in the panels—is profiled on these pages

PHICOM plc.
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SHANDON SOUTHERN PRODUCTS LTD.
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1982
for their
CYTOSPIN 2
Cyto-centrifuge
SHANDON
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Renown in plastic furniture

THERE COULD scarcely be a more convincing case history for all those protagonists of the thesis that "Good Design Does Pay" than the history of Hille, whose Supporto chair, designed by Frederick Scott, has won one of this year's Design Council awards.

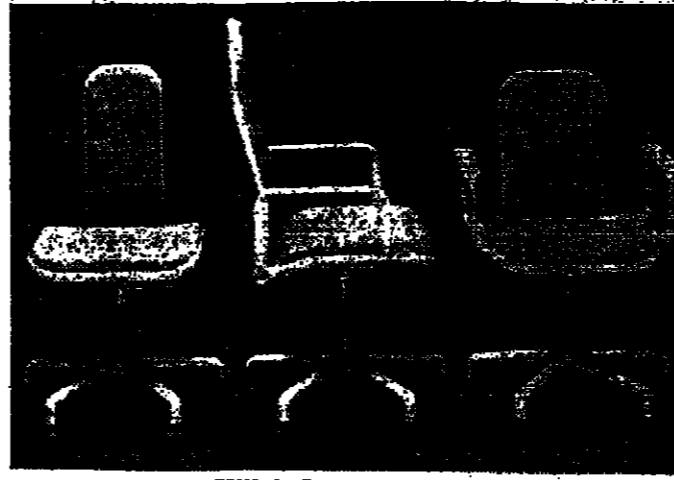
Today the company is admired and renowned throughout the Western world, primarily for its pioneering work in harnessing the qualities of plastics to innovative modern design.

When the decision to commit the company to the best of modern design was made way back in 1949, the company did at least have a history of excellence to build on. Until then it had made nothing but reproduction furniture but it had been reproduction furniture of the very best kind and quality. As Cherrill Scheer, granddaughter of the founder, Salomon Hille, puts it: "The pursuit of excellence had always been part of the essential strategy of this company—what changed in 1949 was that it then became committed to excellent modern design."

On a trip to America in 1949, Rosamund Julius another of Salomon Hille's grand-daughters) and her husband Leslie underwent a road-to-Damascus-type conversion. In the Museum of Modern Art in New York they saw that two British designers they had never heard of had won an award for some low-cost furniture designs. When they realised that there were British designers capable of beating off the best international competition they decided there and then that they wanted the future of the company to be tied up with the talents of living designers as opposed to those long dead.

So the commitment was made. Robin Day, one of those two award-winners, became the designer of the company's most famous and most profitable product (the Polypropylene chair) and became what might be called the eminence grise of the company.

The decisions taken were not always commercially successful but nobody ever thought of turning back. To begin with they produced reproduction furniture and



Hille's Supporto chairs

CONSUMER & CONTRACT GOODS—DURABLE

- | | |
|--|--|
| Company
Sinclair Research
Paterson Products
Pains-Wessex
Hille International
Glyn Locks (Racing Shells)
Dunlop Sports
Brookes and Gatehouse
Brothroyd Stuart | Product
Personal computer
Photo processing equipment
Marine distress flares
Office chair
Single sculling boat
Golf ball
Marine radio receiver
Amplifier system |
|--|--|

modern designs side by side with the reproduction carrying the modern ones (financially speaking). Cherrill Scheer admits frankly that the fact that Hille is still a private company, with no public shareholders to be answered to, has made it easier for the company to

stick to its decisions, even when the commercial success was not immediately clear.

From the start, however, Rosamund and Leslie Julius realised that the direction which really excited them was for good-looking objects to be developed hand-in-hand with new technology.

The genuine technological breakthroughs offered the company the chance to produce designs that were truly modern, conspicuously of their time. They also offered another great advantage—the possibility of producing good designs at low cost, for they were ideally adapted to mass-production.

The best and most successful culmination of this philosophy was of course the production of Robin Day's Polypropylene chair some 17 years ago. It was the first time that plastics had been used successfully to make furniture that answered a genuine need, that fulfilled all those exacting criteria of form and function and, most important of all, that people actually wanted to buy.

Frederick Scott's brief, culminating in the award-winning Supporto chair, was to look at the whole area of office seating. He took many months just observing people at work. To finance time and research on this scale requires a great deal of commitment. It requires the perspicacity to realise that results are not achieved overnight and that companies interested in long-term ideals need persistence, patience and belief in their strategy.

LUCIA VAN DER POST

Low-cost device for wheel alignment

ANYONE OLD enough to remember the launch of the first Minis in 1968—and who actually bought one—stands a reasonable chance of remembering the initials SPQR.

The initials were once borne on the standards of the Roman legions who tamed the ancient world. In the latter-day world of the UK they are carried by a small Hampshire-based engineering company—SPQR—first sprung to attention when it tamed those early Minis' notoriously rogue gear levers. They were about 2 ft long and sprang from the floor in the region of the driver's left foot. The moment the mounting bushes wore on the transverse engine, the lever would whirl about like a dervish.

SPQR came up with the first remote gearshift for the Mini, the Major-Change. It sold a large number of conversions before Austin-Morris finally latched on and did the job themselves.

The company itself was born little more than a year before the Mini. Since then the plant at Rowlands Bridge has been making a diverse array of motor parts well beyond the gear-change and a taper adjustment tool which got it started. Many of its earlier products were aimed directly at the motorist but it was keen to tap as well the garage trade itself.

As part of the strategy it began designing and developing a wheel alignment gauge which could handle both cars and light commercials. The product arrived in the market in 1979 and unlike much existing equipment doing the same job it was cheap. On that basis alone an ever-cynical garage trade was sceptical about its merits.

Now—20,000 sales of the Traction—later—the Design Council has given the device one of its awards. The judges were swayed by the very aspect that lay behind the scepticism: that it was cheap—is currently retails at £3.75—yet easy to use and store and equally easy to maintain.

Mr Peter Tompkins, SPQR Engineering's managing director, says that static alignment checks can be misleading

Drive-over

The device itself consists of two rectangular low profile ramps and a straight edge. One ramp, made of lightweight ABS plastic, has an integral slip plate on nylon rollers, with a gauge to indicate toe-in or toe-out of the front wheel. The other device is lined up in front of the car and set square with it using the straight edge. The gauge is set at zero, the straight edge removed and the car backed up slightly then driven over the ramp at about 5 mph. Misalignment is recorded on the gauge as toe-in or toe-out. It does not measure any misalignment in degrees but the mechanic only has to make a few experimental adjustments to the track rod and repeat the drive-over process to gain a feel for the right amount of adjustment to make. When the gauge remains at zero alignment is correct.

Other advantages claimed are that the operator does not have to refer to manufacturers' settings; there is no electronic equipment to set up so chance of misuse or misreading are eliminated; no training is needed. Servicing the equipment consists mainly of flushing water between the contact plate and nylon rollers to ensure that the top plate slides easily.

Over the three years since its launch its acceptability has grown to the extent that Toyota (GB) now issues it to its dealer network as standard service equipment, and BL is among other manufacturers which have approved its use.

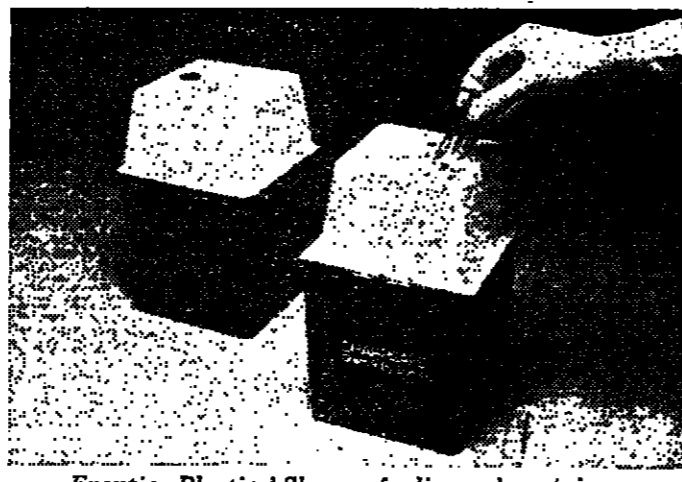
JOHN GRIFFITHS

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DESIGN COUNCIL AWARD 1982

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Frontier Plastics' Sharpsafe disposal container

Medical 'sharps' disposal

THE THROW-AWAY revolution arrived in the medical field nearly 20 years ago. Disposable hypodermic syringes, sutures, scalpel blades and glass phials of medicines rapidly did away with the need for laborious sterilisation in hospitals and health centres of what are collectively known in the medical and nursing profession as "sharps". But until recently this advance in medical technology was not matched by a comparable step forward in disposing of the used "sharps" themselves.

Ultimately "sharps" end up in incinerators, but until Frontier Plastics came along with its award-winning "Sharpsafe" no wholly satisfactory arrangement had been worked out for their safe transfer from the ward to the incinerator.

Nurses are aware of the risks and are not likely, for example, to give themselves an accidental jab in the course of disposing of a used syringe. But this may not be true of porters and other hospital or health centre staff who could come into contact with "sharps" on the way to the incinerator.

The founders of Frontier Plastics, John Harris and J. E. Anthony, are both engineers who decided in 1979 they had had enough of working for large companies and wanted to go into business on their own. Their first manufacturing unit was a disused post-war Nissen hut in a disused quarry at Cross Keys, Gwent, within sight today of their now purpose-built main factory.

For many years the company's bread and butter business was the production of quality moulded plastics for trade customers. But where possible they involved themselves in the design and development of the products required.

"Sharpsafe" is not the first product Frontier Plastics has designed and marketed itself. The company also produces a range of blowers, hydroponics units and moulded plastic engineering products under its own label. "Sharpsafe" is the first result of a deliberate effort to search out a need and develop a new product to fill a perceived niche in a market where Frontier Plastics had no previous experience.

From August 1980 it took 12 months of design and development work in close consultation with the Department of Health and Social Security followed by several prototypes before the award-winning model emerged.

The advantages which have secured for it the Design Council's 1982 Medical Product Award include its rigid plastic construction, which makes it totally resistant to puncture and also very combustible in the incinerator; its supply in two brightly coloured parts, easily assembled, so as to take little storage space; and a keyhole feature for needle separation from syringes and the insertion of a plug to lock the see-through hinge flap before disposal.

Such has been the response from the medical world at home and abroad that Frontier Plastics is opening a second factory next month at Cwmfelinfach, two miles from its present headquarters. It will provide 70 badly needed new jobs.

ROBIN REEVES

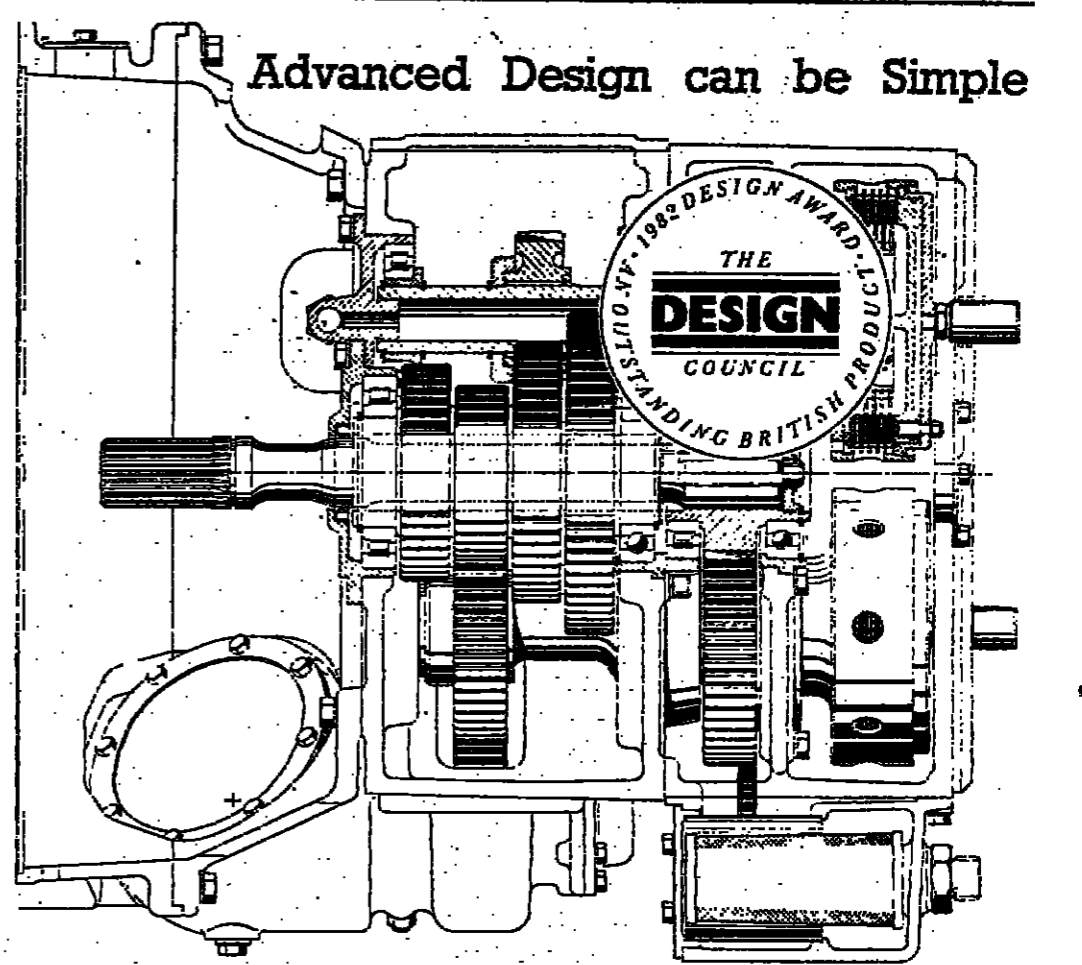
- | | |
|--|---|
| Company
Shandon Southern Products
Malden Care
Frontier Medical Products
Beckett (Surgical Instruments) | Product
Cytological dialysis centrifuge
Go-Kart for disabled children
Disposal container for medical equipment
Microsurgery instruments |
|--|---|

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DESIGN IN BRITISH INDUSTRY III

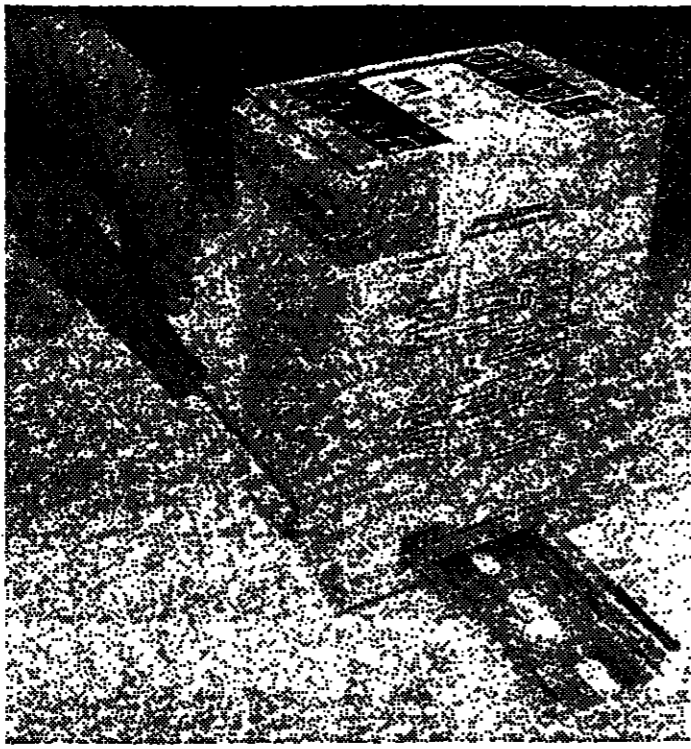
Safety aid for process plant

AT THE start of the 1970s Ian Hutcheon was technical director at instrument makers Geo. Kent of Luton with a staff of 115 engaged in research and development. But with new management coming in numbers were cut by more than half to 45 and in protest Hutcheon resigned to form, with four of his colleagues a new company, Measurement Technology (MTL).

Some 11 years later MTL, which occupies a specialised niche of the market making safety components for the process industries, itself employs 95 people and counts Geo Kent among its customers. The company, which is expecting sales of more than £3m this year has also in the past year completed out of profits a £500,000 extension to its premises in Luton, which now covers some 24,000 sq ft. Its progress has been crowned, too, with one of the Design Council's 1982 Awards for its 2000 series interface units.

The job of the interface unit is to provide a safe and economical link between process plant and control room. "The development of more efficient process plant has led over the years to its becoming larger and more complex and less tolerant of control failures. Shutdowns have become more costly, the hazards to environment and life have increased, and consequently instrumentation, control and protection systems must be of high integrity," Hutcheon points out. Sometimes the location of plants—for example, offshore oil or gas production platforms—adds to the problems.

The MTL 2000 series does this job without the need, as in various rival systems, for additional safety barriers or special low-resistant earth connections. The main components are housed in polyester injection mouldings providing inflexible isolation; input and output wiring are completely segregated. Each unit in the series is also self-contained and performs a complete function.



MTL 2212 three-channel switch-operated relay—part of the company's successful 2000 Series

ENGINEERING COMPONENTS	
Company	Product
REIP Bearings	Clutch release bearings
Mullard	Integrated circuit for
	viewdata applications
Dewy Rotol	Propellers
Measurement Technology	Interface units

The simple modular form of construction also means that it is easy to manufacture and install as well as being cheap to maintain. The tooling-up which lies behind this cost £50,000 and has made it possible to use mass-production methods.

MTL, which also makes safety barriers, solid state choppers (for converting DC signals to AC for amplification), and a range of temperature control products, reckons to be exporting 50 per cent of output, with sales currently strong in the Far East and the U.S. where a separate marketing and small assembly operation have been set up.

Customers are the big oil, gas and chemical groups and other process plant operators, or, in the case of major new projects, the big contracting groups. Other instrument makers like Geo Kent also purchase MTL equipment to fill out their own ranges.

Other specialist equipment within the niche carved out is also being developed by MTL's design department. The principle behind the interface unit,

for example, is being applied to trip amplifiers, one of the company's temperature group of products. The trip amplifier compares incoming signals with an adjustable voltage level and provides an alarm if the temperature goes outside a pre-set limit.

The group's growth has been built on a £20,000 capital base put up by the founder members, with additional aid coming initially from a small bank overdraft. In the first 18 months none of the founders took an annual salary of more than £2,000, Hutcheon points out, and all were heavily dependent on wives' incomes.

Eleven years later the gamble has evidently worked and the award-winning product is praised by the judges both for its versatility and its ingenuity. With its wide spread of international customers and sales in every continent MTL is confident enough to regard itself as a mini-multinational—playing a small but vital part in complex process plant operations worldwide.

BY IAN RODGER

Soil loosener wins fame abroad too

FARMERS ARE notoriously cautious about trying new implements and their enthusiasm for the new Paraplow soil loosener has caught its manufacturer, Howard Rotavator, entirely by surprise.

Between the Paraplow's introduction last June and the end of 1981 Howard sold 300 units, more than three times as many as expected. Some even sold at a premium and the company is still not able to keep up with demand.

As well as the British Design Council award the implement has already won three overseas honours. In December it won the Orange Day Award in Australia for the best new implement of the year and a similar commendation in a competition sponsored by an Australian trade magazine. In January it won a commendation at the Paris Salon de l'Agriculture and very recently it gained recognition in Spain.

The Paraplow is designed to break up compacted soil, which is becoming an increasingly serious problem as heavier and heavier farm machinery is used. Compaction is a problem because it hinders root development, encourages crop diseases

and prevents water from percolating into the soil.

The principal innovation brought by the Paraplow is the use of slanted tynes or legs. Conventional loosening implements use vertical tines which encounter considerable resistance because they force the soil to give way on both sides. With a slanted tine or leg the soil is in effect lifted.

Studies have shown that the Paraplow requires 30 per cent less draft horsepower than a vertical-leg loosener, so it can be used behind a medium-range farm tractor.

Advantage

Another advantage is the relatively little disturbance caused to the ground surface. This means the Paraplow can be used to relieve compaction on grazing land and amenity grasslands such as race courses and sports fields.

Interest in the implement is strong in tropical countries where rain tends to fall very heavily but for only short periods of time. The Paraplow can help to promote water harvesting and prevent runoff.

The legs are made of boron steel and slanted 45 degrees to

the right. There is a half-metre gap between legs and the maximum penetration is 35.5 cm.

Howard manufactures the Paraplow in various sizes ranging from three to eight legs. List prices range from £2,392 for a three-leg model to £10,036 for an eight-leg model.

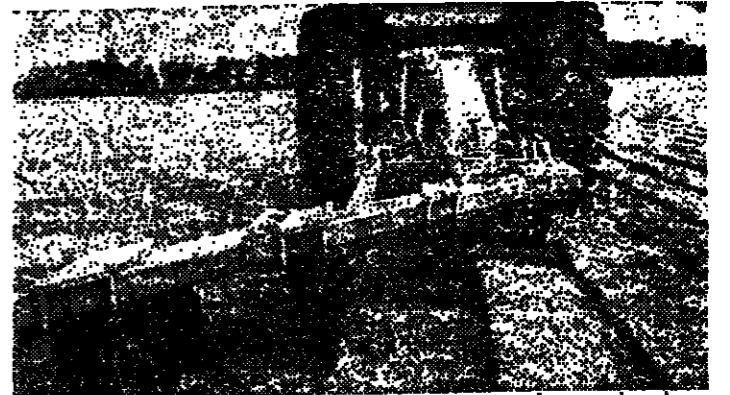
The idea of a slanted leg implement was patented by Dr A. N. Ede, a soil consultant in Cambridge. Howard has developed it over the past three years in conjunction with the plant protection division of Imperial Chemical Industries. Howard has the worldwide rights of the slanted leg, the replaceable wearing parts and the shape (cross section) of the leg.

The main changes that occurred during development were to the shape of the leg and in particular to the shin foot and toe to maximise the life of the leading edge components and minimise surface disturbance. The angle of the leg was also altered slightly.

As the prototype was ready in January 1981 the company flew it to Texas for testing rather than wait for suitable conditions in Britain. The main discovery during this phase was that it was not necessary to penetrate as deeply as anticipated. The company originally thought in terms of 50 cm penetration but found that most work could be done between 20 cm and 30 cm. The shallower the penetration the less power required.

Howard does not anticipate any evolutionary development of the Paraplow other than to bring out an increasing range of sizes to match the range of tractors available. Its principal concern now is gearing up to meet demand.

IAN RODGER



Howard Paraplow working on compacted grassland

SHANDON

CYTOSPIN 2
Cyto-centrifuge

"an outstanding British product in the Medical Equipment category"

setting new standards in life science laboratories

A member of the PHILIP Instruments Division



Ebony, a black and cream range of tableware and cookware, which has won Hornsea Pottery its third Design Council award

Pottery with an Ancient Roman gloss

HORNSEA POTTERY, which is almost as persistent a winner of Design Council Awards as Hille and whose Ebony range has been awarded one this year, may perhaps be less well-known to the world at large than Hille but it none the less shares with it many startling similarities.

Like Hille, Hornsea Pottery has no public shareholders. The two Rawson brothers, Desmond and Colin, and ICFC between them own most of the equity and, as in the case of Hille, this has had the great benefit of allowing the company the freedom to pursue its own sense of priorities.

The company began simply because Desmond Rawson urgently needed some way of earning a living after the war. Having been introduced to pottery by the occupational therapist helping him recover from wounds received at Anzio, he turned to pottery. He started by doing a line of what might be called "fancies"—pussy bowls, ashtrays, condiment sets and the like—but then, in the early sixties, the whole design movement began to get under way. Desmond Rawson began to feel that he wanted to make better things and so a conscious decision was taken to produce only lines that the company could be truly proud of.

He identified a gap in the market—good modern design for young people setting up home—and decided that this was the need he would like to fill. The company agreed that only products selected by the Design Centre would be put into full-scale production and decided to put a big emphasis on producing products that were

as close as possible to the designer's original intention. All this sounds very easy but at the time it was a brave step in the dark.

Hornsea, like Hille, realised that the way forward could not just be through minor aesthetic adjustments—the changing of shapes or patterns alone. Technological innovation had to be part and parcel of a genuine attempt to break new ground in modern design.

Michael Walker was therefore made the director in charge of technological innovation. His role was to look at new production methods which would, it was hoped, expand the possibilities available to the designers.

Departure

The very first design produced under the new philosophy—Elegance, designed by John Clappison, the Royal College-trained son of one of the first people to help the Rawsons financially—marked a distinct departure from the sort of pottery that was then on the market.

Martin Hunt, of the Queensberry/Hunt partnership, who has worked with the company since 1973 and who was responsible for its award-winning Concept line, is the first to acknowledge that at Hornsea great trouble is taken to try and bring to life everything that the designer has decreed.

Right from the beginning, even before the move into tableware, John Clappison had produced a hitherto unknown decorative effect on his Elegance line, designed for the gift

market. His Heirloom range, which marked the entry of the company into the tableware market, used for the first time in the pottery industry a technique of screen-printing directly on to the pot and it gave a surface texture that was not only an inseparable part of the design but also unique.

Concept, Martin Hunt's award-winning design of a few years ago, required techniques not then readily available if his original concept was to be brought to life. Hornsea came up with a new glazing technique which meant that the very finely turned lines could be retained and a pebble-smooth finish achieved, with no loss of detailing.

Similarly, this year's award-winner—Ebony—is just a pretty piece of tableware. Its particular character has been achieved only through the development of a technique first explored by the Romans. Hornsea call their version Terracotta. The Romans called theirs terra sigillata and what the development means in practice is that it is now possible to apply a coating so thin—a mere 1/1,000th of an inch—that the finest of detail is totally retained. The thicker coatings available until this development would have meant a considerable loss of definition on the final product. All this illustrates the extent of Hornsea's belief in what it is doing, in the role the designer plays and in the paramount importance of the quality of the end-product.

For the company, however, there is no resting on past laurels. Ebony is a design already fully into production. The company is now concentrating its efforts on the next technological problems it needs to solve before it can produce another batch of designs that fulfil the criteria set by Desmond Rawson all those years ago.

LUCIA VAN DER POST

This year, the Duke of Edinburgh has picked Rediffusion's advanced technology flight simulator for his coveted Designer's Prize. In The Design Council's words, the prize is "The supreme accolade for design in British Industry."

The simulator allows airline pilots to learn to fly new aircraft without leaving the ground. It lets them get used to the aircraft in complete safety and without wasting fuel.

Last year, over half the world's civil flight simulators were designed and made in Britain by Rediffusion.

Very few single developments can have contributed more decisively to air safety or saved the world more fuel. And few have been such a consistent export success.

The award recognises not only the current success of this most sophisticated example of aviation technology, but its burgeoning future. In America, for example,

the new simulator has won an exclusive contract from the Boeing Company and the first certificate to eliminate the use of aircraft in certain flight training programmes from the Federal Aviation Administration.

It is the product of one of the world's most dedicated design, engineering and production teams and its commercial success is typical of Rediffusion's entrepreneurial approach to business. Other teams in this world-wide, £250m turnover company are equally far ahead in communications, TV, computers, background music and navigation systems.

If you would like to know more about simulation or any other Rediffusion high technology activity, contact the address below.



LOOK WHAT WE LANDED FOR TEACHING PILOTS TO FLY ON THE GROUND.

THE DESIGN COUNCIL
1982 DESIGN AWARD FOR OUTSTANDING BRITISH PRODUCTS

REDIFFUSION, CARLTON HOUSE, LOWER REGENT STREET, LONDON SW1Y 4LS

CONSUMER & CONTRACT GOODS—DECORATIVE	
Company	Product
Two Can Design	Stationery
Lanceline Broxton and Partners	Liquid geometry puzzles
Hornsea Pottery	Tableware
George Luck	Wooden puzzles
Farhana Designs	Stationery

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

TRAFFIC IMPROVEMENT FORECAST

\$127.3m net loss at Pan Am

By Richard Lambert in New York

PAN AMERICAN World Airways made a net loss of \$127.3m in the first quarter of 1982—broadly in line with last year's figure and with analysts' recent forecasts for the current year.

forecast that the company could make a small operating profit during 1982, and Pan Am said yesterday that this was still possible.

In the first quarter last year, Pan Am suffered a net loss of \$121.6m, excluding earnings of the Intercontinental Hotels Corporation which was subsequently sold to Grand Metropolitan of the UK.

Mr Edward Acker, chairman and chief executive, said yesterday that current indications pointed to an improvement in the airline industry's level of traffic over the rest of the year, and to a rise in passenger yields.

Gulf Resources moves to block bid by Clore

By Our New York Staff

GULF RESOURCES, the Houston-based mining and chemicals company, filed a complaint in a Houston court yesterday to try to block Mr Alan Clore, the British financier, from attempting to control the company.

An injunction is sought against Mr Clore, son of the late Sir Charles Clore, one of Britain's wealthiest men, to prevent him from continuing what it called "unlawful conspiracy to control the business affairs of Gulf Resources and Chemical by among other things an unlawful tender offer in violation of Federal laws."

Gulf listed Zepress Commercial, a Panama company controlled by Mr Clore, and Jeffries and Company, a brokerage firm specialising in large block transactions, as defendants in its complaint.

Gulf would not elaborate on its charges, but although Mr Clore so far has made no official tender offer for the company, a Gulf official said yesterday: "There is more than one way to make a tender offer."

In filing with the U.S. Securities and Exchange Commission, Mr Clore disclosed earlier this week that he had acquired 14.3 per cent of Gulf's common shares for about \$26m. He said he may seek to "influence the management of the company."

Mr Clore has a reputation for investing in possible takeover targets in the U.S. and forcing the hand of management of such companies. He was involved in the recent takeover by BATCO of U.S. subsidiary of Marshall Field, the Chicago-based retail chain.

Disclosure that the Hunt brothers of Dallas have also increased their stock holdings in Gulf Resources from 9 to 11.58 per cent through their Placid Oil Company has fuelled speculation that the Hunts and Mr Clore could be acting as allies.

Earlier this week Gulf announced first quarter earnings of \$4.9m on revenues of \$90.7m.

Myers resignation
MR EDWARD BARNES resigned as president and chief executive of L. E. Myers, U.S. electrical transmission contractor, because of a disagreement over a cost cutting programme.

Mr Paul T. Kessler Jr, company chairman, was elected to both posts.

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Mobil earnings tumble 49%

By Our New York Staff

MOBIL, the second largest U.S. oil company after Exxon, reports a sharp decline of 49 per cent in first quarter net income and a 4 per cent fall in revenues.

Earnings totalled \$326m or 77 cents a share against \$640m or \$1.50 a share in the first period of 1981 while revenues dropped from \$1.71bn to \$1.64bn.

Mobil is the last of the four large U.S. oil companies partners in the Arabian American Oil Company (Aramco) to report sharply lower first quarter income. The other three, Exxon, Texaco and Standard Oil of California, reported large earnings declines because of the price disadvantage of Saudi crude oil in the prevailing oil market.

Mobil said the latest results reflected a \$143m decline in foreign stocks profits. It said that, excluding this, estimated earnings for the first quarter decreased by 52 per cent.

Mobil's foreign energy earnings declined 64 per cent in the first quarter. U.S. energy earnings, however, increased by \$21m.

Standard Oil of California (SoCal), the fourth largest U.S. oil company, reports first quarter earnings down 65 per cent to \$230m from 1981's record \$666m—from \$1.95 to 67 cents a share.

SOCAL blamed the results on the oversupply of crude oil which has led to an extremely depressed petroleum products market.

Gulf Oil registered a 12 per cent drop in first quarter earnings to \$267m from \$303m in 1981, or to \$1.44 a share from \$1.52. Revenues fell 4 per cent to \$7.54bn from \$7.88bn.

Gulf said yesterday that the move "does not alter our desire to make a major acquisition if the right opportunity comes along."

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Coca-Cola edges ahead despite sales fall

By Our New York Staff

COCA-COLA, the soft drinks company, lifted first quarter income from continuing operations 4.7 per cent to \$102.2m. But sales from continuing operations fell 5.6 per cent to \$1.27bn, compared with \$1.35bn last year.

Mr Roberto Goizueta, the chairman, said that in the company's world markets, soft drink shipments increased by 5 per cent in the quarter.

All the company's foreign operations continued to achieve good profit performance in local currencies, he said. But the relative strength of the dollar had held back the results when expressed in dollars.

PepsiCo, the second biggest U.S. soft drinks producer with interests in snack foods continued to move ahead in the first quarter. Net profits rose to \$90.1m or 65 cents a share from \$82.8m or 58 cents a share in the same period last year.

The earnings rise follows record earnings last year of \$333.5m on sales of \$7bn with a particularly strong performance in the final quarter.

Talks on sale of Daily News break down

By Our New York Staff

NEGOTIATIONS for the sale of the New York Daily News, the largest U.S. Daily circulation tabloid, between the Tribune Group of Chicago, owners of the troubled newspaper, and Mr Joe Albritton, a Texas publisher, collapsed yesterday.

The Tribune group has warned that it will close the newspaper unless it finds a buyer. It also said recently that Mr Albritton was the only potential buyer. Yesterday, it would not comment on the newspaper's future pending a meeting on Friday with unions.

Mr Albritton had demanded major staff cuts from the newspaper's union as a precondition to his acquisition of the financially plagued tabloid.

But it is believed that Mr Rupert Murdoch, who owns the news rival, New York Post, may be interested in acquiring the tabloid. Mr Murdoch has also indicated that he is contemplating an offer.

Mr Albritton had demanded major staff cuts from the newspaper's union as a precondition to his acquisition of the financially plagued tabloid.

U.S. Steel shipments hit lowest level for 40 years

By Paul Betts in New York

U.S. STEEL, the leading American steel producer, which acquired Marathon Oil for \$6.5bn earlier this year, reports first quarter earnings of \$78.9m or 88 cents a share on sales of \$6bn.

U.S. Steel also earned \$270.9m on sales of \$3.45bn in the first quarter of 1981. Steel shipments in the period hit their lowest non-strike levels in more than 40 years.

Raw steel production was sharply down to 4.2m tonnes from 6.5m tonnes in the same 1981 period, while steel shipments fell to 3.2m tonnes from 4.8m tonnes.

No comparison with 1981 figures can be made because Marathon's results are included in U.S. Steel's returns, with an appropriate deduction for minority interests to reflect 51 per cent ownership by the steel group during January and February.

U.S. Steel completed its Marathon deal last March when it acquired 51 per cent of the company.

Steel operations incurred only a small loss in the latest quarter despite the severe business recession.

Mr David Roderick, chairman, said steel operations would have difficulty in earning a profit until a significant volume increase occurs.

He indicated that Marathon's profitability in the quarter on an historical basis was about equal to that last year.

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Eurodollar bond flood continues

By Alan Friedman

AMID GROWING optimism about the course of short-term interest rates the flood of new Eurodollar bonds continued yesterday with the launch of \$475m of fixed-interest paper.

First off the mark was Du Pont with a \$200m adjustable coupon bond offering bearing the interest coupon based on a straight issue in a year. CSFB is lead-managing the 13 1/2 per cent issue, which carries an initial five-year maturity and may be extended up to 15 years.

The investor may redeem after five years when a new coupon may be set by the borrower.

Some Eurodollar participants suggested that the pricing of the Du Pont bonds—13 1/2 per cent at par—was a show of confidence for CSFB, which only a few days ago lost some of its key new issue executives.

But Du Pont is a well-regarded name and stands a reasonable chance of selling if the market does not deteriorate in the next few days.

Australia's Broken Hill Proprietary group is in the market looking for \$150m through the issue of seven-year bonds bearing a 14 1/2 per cent coupon.

Deutsche Bank is leading the issue.

Shell Canada, meanwhile, is raising \$125m with 14 1/2 per cent 10-year bonds priced at 99 1/2 to 100. Morgan Stanley is lead manager and the paper may be called back at 101 after the seventh year.

In the floating-rate note sector the Republic of Indonesia is making its Eurodollar bond debut with a \$200m 10-year issue, redeemable at the holders' option in 1989.

The notes will bear a spread of 1 per cent over the six-month London interbank offered rate, and the minimum coupon will be 5 1/2 per cent.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday May 12.

Closing prices on April 20

OTHER STRAIGHTS Issued Bid Offer day week Yield

Amex Int. Fin. 15 1/2 102 104 +0.15 15.67

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NORTH AMERICAN QUARTERLY RESULTS

ALASKA INTERSTATE 1982 1981 Revenue 95.1m 91.2m Net profits 10.5m 17.3m

BELCO PETROLEUM 1982 1981 Revenue 81.5m 77.7m Net profits 26.7m 24.9m

FIELDCREST MILLS 1982 1981 Revenue 107.3m 104.2m Net profits 1.9m 706.0m

MURPHY OIL 1982 1981 Revenue 744.6m 696.5m Net profits 33.25m 33.42m

SUN COMPANY 1982 1981 Revenue 3.9m 4.0m Net profits 124.0m 120.0m

ALBANY INTERNATIONAL 1982 1981 Revenue 57.8m 50.9m Net profits 4.6m 6.0m

ALCO STANDARD 1982 1981 Revenue 14.9m 13.6m Net profits 0.71m 0.69m

ALUMINA 1982 1981 Revenue 21.3m 22.3m Net profits 3.5m 3.6m

ALBANY INTERNATIONAL 1982 1981 Revenue 57.8m 50.9m Net profits 4.6m 6.0m

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Companies and Markets **INTL. COMPANIES & FINANCE**

Profits fall 34% at Brown Boveri

By Kevin Done in Frankfurt

BROWN BOVERI of West Germany, the 56 per cent-owned subsidiary of the Swiss electrical engineering group, suffered a drop of 34 per cent in after-tax profits last year to DM 20.22m (\$8.52m) despite a rise of 17 per cent in group turnover to DM 4.7bn.

The company said on Monday it would cut its dividend by 25 per cent to DM 6 per share.

The group expects sales to stagnate at last year's level in 1982 and new orders to fall below last year's level of DM 5.45bn, itself an increase of 22 per cent.

The group is suffering from both cyclical trading and structural problems, Dr Herbert Gassert, chief executive, said yesterday. He held out little hope of the company achieving any substantial improvement in profitability before 1984.

The group's trading profit slumped by 30 per cent last year as a result both of depressed margins on export business and of loss-making contracts which had been booked to hold operating levels in some manufacturing plants.

Short-time working is expected to grow in the second half.

In spite of rationalisation efforts, BBC has been unable to close the widening gap between rising costs and stagnating product prices. The company managed to raise prices by little more than 2.5 per cent last year but was confronted by cost increases of more than 5 per cent.

BBC warned that its problems in nuclear power station construction are likely to burden the group for some years. Losses in this area totalled DM 15m last year.

Capital investment this year is expected to show little change on last year's total of DM 200m.

The group's main loss-making activities last year were its subsidiaries Rosopal Werk Roemler and Isoprofil, which were hit by the continuing recession in the building and furniture sectors.

Brown Boveri is still recording few gains from its strategy in recent years of expanding strongly into electrical standard products as a means of offsetting flat demand in the plant construction sector. The moves have failed to halt the group's sliding profitability.

Expansion boosts earnings at L'Oreal by 37%

BY TERRY DODSWORTH IN PARIS

L'OREAL, the French cosmetics and pharmaceutical group, raised net consolidated profits by 37 per cent last year to FFf 517m (\$83m) on the back of a broadly-spread expansion both at home and overseas.

The figures show that the increase in the group's sales, which went up by 13 per cent, from FFf 4.6bn to FFf 5.2bn, was virtually comparable at home and in foreign markets, where L'Oreal is intensifying its efforts. Overseas turnover, at FFf 3.2bn, accounted for 62 per cent of total sales.

M. Francois Dalle, the chairman, attributed the sharp improvement in profits to efforts to trim loss-making product lines. He predicted that the results for this year should be "satisfactory" despite the increase in social costs deriving

from recent government measures.

M. Dalle also emphasised that the group hoped for a big surge in the contribution of the recently acquired pharmaceutical division within two to three years. Only about 20 per cent of the pharmaceutical sales of FFf 1.7bn last year were overseas, but the company intends to develop foreign pharmaceutical outlets in the same way as it has done for its cosmetics interests.

Since taking over Synthelabo, the pharmaceutical concern, L'Oreal had invested FFf 1.2bn in this sector, which was now beginning to pay off, said M. Dalle. In 1981 it made profits of FFf 37m.

Dividends are to be increased by 17 per cent to FFf 25.70 a share net.

Maisons Parix, the residential construction company, said its net consolidated profit tumbled by 72 per cent to FFf 29.9m (\$4.82m) last year as the sagging economy continued to depress the French construction industry, writes our Financial Staff.

The group's operating profit dropped 34 per cent to FFf 78.2m last year after the company cut loss-making ventures.

The company said it had sold its stake in subsidiaries in Italy, Spain, Belgium and West Germany, in an effort to re-structure the group.

Overall sales fell 8.8 per cent last year to FFf 1.02bn.

Sales in the first quarter of 1982 showed some improvement, rising by 3.5 per cent to FFf 218.4m.

Solvay dips into the red by BFr 752m

By Giles Merritt in Brussels

SOLVAY, Belgium's major chemicals group, yesterday said the lacklustre performance of its plastics sector has pushed its overall financial results for 1981 firmly into the red, with net losses of BFr 752m (\$18.84m).

The results follow the dramatic profits tumble in 1980 when net earnings dropped to BFr 1.95bn from the 1979 level of BFr 5.1bn after a serious weakening in demand for the plastics products which account for about 40 per cent of its sales.

Last year's overall turnover rose from BFr 138bn to BFr 157bn.

Poor demand for chemicals was sustained throughout the year. Although Solvay's parent company has declared a net profit of BFr 1.19bn for 1981, against BFr 2.12bn in 1980, dividends on Solvay shares are to be cut again.

The group is to propose at its June 7 general meeting that a net pay-out of BFr 150 per fully paid-up share should be made, while for its 'C' shares the net dividend will be BFr 60. For 1980, Solvay paid BFr 200 on 'A' and 'B' shares, while 'C' shareholders received BFr 80 per share.

SGB plans 1-for-5 rights issue

SOCIETE Generale de Banque, Belgium's largest banking group, has announced a 1-for-5 rights issue that it expects will boost its capital by some 10 per cent.

The offer has been set at BFr 2,500 per share, which gives a comparatively small discount on the bank's currently traded share price of BFr 2,680. But SGB senior executives believe that the minimum effect of the offer will be to raise BFr 3,060m (\$68m). The offer opens on May 4 and runs for the statutory period in Belgium of three weeks.

SGB expects that the offer will be well subscribed, largely as a result of the Belgian Government's measures introducing greater fiscal incentives to investors.

The bank has pointed out, however, that the rights issue does not imply any change in its strategy but instead reflects the need to raise the capital base in line with the increases achieved in recent years in its overall balance sheet.

For 1981 the non-consolidated balance sheet increased 12 per cent to BFr 1,124bn, and in 1980 it rose 17 per cent.

HK Electric buying

Jardine Fleming has continued to buy shares in Hongkong Electric Holdings on behalf of a consortium led by Hongkong and After acquiring a 20 per cent stake at prices of up to HK\$6.75 (US\$1.15) on Monday, the group approached its target of just under 35 per cent on Tuesday, and has been mopping up the remaining shares in the market where Electric has been trading around HK\$6.30, writes Robert Cottrell in Hong Kong.

Recovery at Swedish Match

BY OUR FINANCIAL STAFF

SWEDISH MATCH, the diversified industrial group, has come close to doubling first quarter operating profits, with an outcome of SKr 65m (\$11.2m), compared to SKr 35m for the opening three months of 1980.

The company said yesterday that it expected its operating results overall to show an improvement thanks to the disposal of loss-makers and restructuring elsewhere.

Last year Swedish Match saw operating profits dip to SKr

292m from SKr 310m, while at the pre-tax level the figures showed an even more alarming decline — to SKr 76m against SKr 225m.

At the time, the group blamed a rapid upsurge in financial costs coupled with depressed building activity in Western Europe.

Group 1981 sales advanced by just 8 per cent to SKr 7bn of which over 70 per cent arose outside Sweden.

The building slump and the mousting over-capacity in

Europe led Swedish Match to dispose of a large part of its building components operations last year. The sale of a number of particle board and furniture operations in West Germany was announced earlier this year.

The company, which has been diversifying hard away from its traditional products, claims further progress for its disposable lighter division. In 1981 these contributed almost 50 per cent of total group operating profits.

Saga Petroleum cuts deficit

By Fay Gjester in Oslo

SAGA PETROLEUM, the privately owned Norwegian oil concern, reduced its deficit to Nkr 43m (\$6.9m) last year, from Nkr 61.7m in 1980.

Saga regards its long-term prospects as promising, because of its position as one of the three Norwegian oil concerns which the Government has selected to play a growing role in Norway's offshore oil development.

It holds stakes in virtually all the most promising licensed areas on the Norwegian shelf. The other two favoured Norwegian concerns are Statoil, the State oil company, and Norsk Hydro.

EDF pushed into losses by cost of borrowing

BY DAVID WHITE IN PARIS

SOARING costs of borrowing by Electricite de France plunged the French state power board into a loss of FFf 4.38bn (\$710m) last year and are expected to bring a similar deficit this year.

M. Marcel Boiteux, chairman, said that while turnover rose to FFf 74.6bn, financial charges shot up by 70 per cent to FFf 14bn—close to one fifth of sales.

The loss, which came after a narrow FFf 272m profit in 1980, was worse than the FFf 3.7bn figure originally foreseen.

The authority's outstanding debt has risen by FFf 50bn in

the last two years to reach about FFf 120bn. This includes about FFf 40bn in foreign currencies—this sum was increased by about FFf 4bn last year as a result of the French franc's decline.

Other reasons cited for the sharp deterioration in EDF's financial performance included increases in oil and coal prices, which were only partly offset by savings of FFf 6bn reckoned to have flowed from the increased use of nuclear energy.

Pressure from the Government for the board to use more French coal, in order to support the mining sector, threatens to add a further burden.

Banco de Bilbao buys Catalan bank

BY ROBERT GRAHAM IN MADRID

BANCO DE BILBAO, Spain's fourth largest commercial bank, has taken over an ailing Catalan family bank, Mas Sarda, in the second rescue operation that the Spanish banking system has mounted within a month.

The refoating of Mas Sarda is expected to cost about \$100m. It will be funded by Bilbao, soft credits from the Government Deposit Guarantee Fund and the sale of assets.

The move comes at a time of continuing crisis for Spanish banks. At the beginning of the month Hispano-Americano took over the Catalan-based industrial bank Bankunion, in an operation likely to cost \$400m.

The rescue of these two Catalan banks by two of the big seven Spanish national banks leaves only the Catalana group and Sabadell with a pure "Catalan" identity.

The acquisition by Bilbao is significant because a major political effort was mounted by the Catalans to ensure that Mas Sarda remain in Catalan hands. However, the Spanish banking authorities rejected this formula since it would have created a serious precedent.

Mas Sarda was founded in 1844. It has been the most internationally active of the medium-sized Spanish banks and is part of the London based

Latin-American consortium bank Iberpartners. Mas Sarda, who reported 1981 pre-tax profits of Pts 350m, has capital of Pts 2.49bn and reserves of Pts 1.3bn. It operates with 36 branches.

With anticipated losses to be covered of Pts 108bn, Bilbao is expected to reduce the capital and use up reserves before injecting some Pts 3bn of its own, raising its stake to 70 per cent. The Deposit Guarantee Fund will provide a further Pts 2bn and underwrite unforeseen losses, after some assets have been sold.

Bilbao bid for Mas Sarda two years ago but was turned

down. The renewed offer, this time much lower, indicates Bilbao's strong interest in diversifying and achieving greater penetration in Catalonia. Bilbao was also interested in taking over Bankunion for the same reason.

It has also been announced that Banco de Vizcaya will take over the small bank, Ahorrobank (formerly Banco de Gredos). This was a subsidiary of Bankunion until hived-off earlier this month when Bankunion was taken over by Hispano.

Vizcaya is expected to inject Pts 1.5bn of new capital into the bank.

Electrolux to consolidate after run of acquisitions

BY WILLIAM DULLFORCE, NOROK EDITOR, IN STOCKHOLM

ELECTROLUX, the Swedish household appliances group which has expanded fast by aggressive takeovers over the past seven years, is to concentrate on consolidating the dominating market positions it has won, according to its annual report for 1981.

Group earnings tumbled from just over SKr 1bn in 1980 to SKr 508m (\$86.8m) last year, depressed by weakened demand for household products and a leap of almost SKr 500m in net financial charges. Group sales slumped by 16 per cent to SKr 26.8bn.

The report examines how the balance sheet has been weakened by the financing needed for the group's expansion. The equity-to-debt ratio at the end of 1981 was 21.9 per cent compared with the previously stated goal of maintaining it at least 25 per cent.

No more diversification and no major takeovers are planned in the near future. This should allow a gradual improvement of the solvency ratio.

Capital spending, which averaged about 5 per cent of sales over the last five years, will be kept at a lower level over the next five years. Pre-tax profit is expected to rise sharply, when business picks up.

Last year the dividend was raised to SKr 8 a share from SKr 7.50 in 1980 for a total payment of SKr 204m. The group showed a net profit after tax of SKr 961m for 1981 after including extraordinary income of just over SKr 1bn from the sale of power stations.

Lloyds Eurofinance N.V.

(Incorporated in the Netherlands with limited liability)

Guaranteed Floating Rate Notes due 1993

Lloyds Bank Limited

(Incorporated in England with limited liability)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Limited, and Citibank, N.A., dated October 27, 1981, notice is hereby given that the Rate of Interest has been fixed at 15 1/2% pa and that the interest payable on the relevant interest Payment Date, October 29, 1982, against Coupon No. 2 will be U.S.\$386.02 per \$5,000 Note.

April 29, 1982
By: Citibank, N.A., London, Agent Bank



This advertisement appears as a matter of record only.

March, 1982

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Arranged By:

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Trans World Airlines, Inc. (Sub-Lessee)

\$182,375,289

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This transaction was initiated and arranged by the undersigned.

E.F. Hutton & Company Inc.

These securities having been placed privately, this announcement appears as a matter of record only

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(European Company for the Financing of Railway Rolling Stock)

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April, 1982



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telex: j25320 amrosec

B. J. Pennink, representative
T. Yamanouchi, senior advisor

April, 1982

INTL. COMPANIES & FINANCE

Companies and Markets

Melbourne office for Stock Exchange

By Ian Perkin in Melbourne
 INCREASED London interest in Australian stocks is expected to follow the decision by the London Stock Exchange to establish an office in Melbourne later this year.
 Representatives of the London Stock Exchange are due to visit Melbourne next month to tie up final details of the plan which has been the subject of discussions for some time.
 The purpose of the local office will be to speed up the settlement of trading in Australian securities on the UK Stock Exchange.

The UK has shown strong interest in Australian shares in the past, but the system has been bedevilled by slow and haphazard scrip settlement.

This in turn has prompted many UK brokers to avoid promoting investment in Australian shares and to cut down the business available to those jobbers in London who deal in Australian stocks.

It is understood that the Melbourne office will be the first outside London to link in with the Talisman computer system on which all UK trades and accounts are settled. Talisman is the acronym for transfer account lodgement for investors, stock management for jobbers.

The London Stock Exchange has begun recruiting senior staff for the Melbourne office. All those employed will have experience in the securities industry, particularly in broking or nominee operations.

Strong profit growth at United Arab Shipping

BY JAMES DORSEY IN KUWAIT

UNITED ARAB Shipping Company (UASC) made a net profit last year of Kd 26m (\$83m) according to its just published 1981 annual report, an increase of Kd 8.5m (\$25m) from 1980.
 Mr Abdul Aziz Salaat, the general manager, attributes the increase in profit to support by the shareholder states—Saudi Arabia, Iraq, Kuwait, Bahrain, Qatar and the United Arab Emirates—and to the rationalisation of operational costs.
 "Stability of international marine transport throughout the first three quarters of 1981

contributed to reasonable freight rates in favour of UASC," Mr Salaat said.
 UASC carried 5.1m tons of general cargo in 1981 compared with 4.7m tons in 1980. Container lifting also increased from 58,000 TEUs (the total length of containers in feet divided by 20) in 1980 to 78,482 TEUs last year.
 The company, which was established in 1976, has a fleet of 55 vessels. It has awarded what is claimed to be a record contract for the building of nine new container ships at a total cost of \$400m. In addition

Interest costs check gain at OK Bazaars

By Thomas Sparks in Johannesburg

OK BAZAARS, one of South Africa's leading retailing groups, suffered from higher interest costs last year (ended March 31). The trading surplus of R70.1m (\$56.7m) was 28.9 per cent higher than the previous year's R54.4m, but the group's interest bill rose to R15.5m from R7.4m, resulting in a pre-tax profit increase of only 16.3 per cent to R54.6m from R47m. Turnover rose by 28.5 per cent to R1,350m (\$1,238m) from R1,050m.
 Management considers the trading results satisfactory in view of the economic slowdown of the past six months and substantially higher short-term interest rates.
 For the current year, management believes that cost under considerable pressure as the economic downturn deepens.
 A total dividend of 142 cents has been declared from earnings of 278.2 cents a share. In the year ended March 31, 1981, earnings were 230.3 cents a share and a total dividend of 120 cents was paid.

● Narrower interest margins put a stop to the profit growth of Nedbank, South Africa's third largest banking group, in the six months ended March 31. Operating income after transfers to internal reserves was R48.92m against R48.98m in the corresponding period of 1981.
 Mr Rob Abrahamson, chief executive of the group's commercial banking arm, says that downward pressure on profits as a result of narrower interest margins has been overcome with an increase in the volume of banking business. At the end of March advances and bills discounted were R2,170m, an increase of 26.5 per cent on the R2,510m at the end of last September. In the same period total assets increased to R6,980m from R5,500m.
 An interim dividend of 13 cents has been declared from first-half earnings of 37.1 cents a share. Last year the interim dividend was 12.5 cents and first-half earnings 35.7 cents a share. The year to end-September 1981 resulted in earnings of 88.4 cents a share and a total dividend of 43 cents.

Opening advance at Matsushita

BY YOKO SHIBATA IN TOKYO

MATSUSHITA Electrical Industrial, Japan's largest electrical appliance company, increased consolidated sales and profits in the first quarter (ended February 20) of its current fiscal year.
 Matsushita's consolidated net profits rose by 9 per cent to reach a first quarter record of ¥34,570m (\$145m) on sales of ¥386,350m, up 9 per cent compared with the same period in the previous year and also a record. Per share profits were ¥22.28 against ¥20.98.
 During the quarter, domestic sales totalled ¥441,250m, up 4 per cent, to account for 52.7 per cent of the total. Overseas sales went up by 14 per cent to ¥385,60m, accounting for 47.3 per cent of total turnover.
 Video equipment including colour TV and video tape recorders performed best, with sales up by 26 per cent to account for 35.6 per cent of total turnover.
 Full year consolidated net profits are projected at ¥1,700m, up 8 per cent, on sales of

¥3,740m, up 8 per cent.
 ● Makita Electric Works, a leading Japanese manufacturer of electric power tools, suffered a setback in earnings in the year ended February 20. Consolidated net earnings fell by 7.6 per cent to ¥5,400m (\$22.6m) from ¥5,840m in the previous fiscal year. Writes Our Financial Staff.
 Sales, however, rose by a record 15.8 per cent to 69,730m from ¥68,040m.
 Per share net earnings dropped to ¥66.13 from ¥77.83.

Japanese department stores sluggish

BY OUR TOKYO STAFF

JAPAN'S FIVE major department store groups report lower than expected earnings in the fiscal year ended February 28, as a result of stagnant consumption compounded by the effects of a warm winter.
 Takashimaya, the strongest performer among the five climbed from third to second position ahead of Daimaru in terms of sales. Takashimaya's special sales, commemorating the Tokyo branch's 50th anniversary, and an expansion of out-of-store sales, resulted in satisfactory gains. The company lifted the provisions for bad debts by ¥1bn (\$4.2m).
 Mitsukoshi performed poorly in earnings terms, despite higher sales. Its sales gains were mostly contributed by out-of-store sales, including those through local affiliated shops with low profits. The

	DEPARTMENT STORE RESULTS (Ybn)		
	Sales	Operating profits	Net profits
Mitsukoshi	584.61 (+7.1%)	15.85 (-28.5%)	7.5 (-30%)
Takashimaya	440.85 (+6.3%)	11.32 (+5.9%)	4.4 (-8.5%)
Daimaru	437.43 (+3.8%)	7.81 (-20%)	3.49 (-28.5%)
Matsuzakaya	343.15 (+5%)	6.93 (+0.8%)	4.45 (+3.9%)
Sogo	195.39 (+7.7%)	3.17 (+0.3%)	2.57 (+12.7%)

company suffered from a poor customer response at the Ikebukuro Sunshine centre where sales were extremely sluggish.
 Daimaru's efforts to keep the second position in terms of sales by increasing the number of bargain sales were unrewarded, resulting in a lower gross profit.
 Matsuzakaya maintained earnings at the previous year's level, helped by lower depreciation charges for its subsidiaries and a lower interest payments burden.
 Sales growth at Sogo was attributed to the prosperity of the company's Kobe store. Sales at Kobe benefited from the success of the Portopia exhibition in April-September last year.

This announcement appears as a matter of record only.

\$22,401,614
 Leveraged Lease Financing of
 One DC-9-82 Aircraft

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Agent

Baring Brothers & Co., Limited

April 1982

This advertisement complies with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to subscribe for or procure any securities.

U.S. \$250,000,000

J. P. Morgan International Finance N.V.

(Incorporated in the Netherlands Antilles)

Guaranteed Floating Rate Subordinated Notes Due 1997

The Notes will be guaranteed on a subordinated basis by

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The Notes, issued at 100 per cent in denominations of U.S. \$10,000, have been admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Note.

Interest is payable quarterly in arrears in August, November, February and May, the first payment being made in August 1982.

Full particulars of the Notes are available in the Extel Statistical Service and may be obtained during usual business hours up to and including May 13, 1982 from:-

Cazenove & Co.
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April 29, 1982

U.S. \$100,000,000



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Floating Rate Debentures Due 1993

In accordance with the provisions of the Debentures, notice is hereby given that for the six month Interest Period from 29th April, 1982 to 29th October, 1982 the Debentures will carry an interest rate of 15% per annum and the Coupon Amount per U.S. \$5,000 will be U.S. \$384.43.

Credit Suisse First Boston Limited
 Agent Bank

U.S. \$125,000,000



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Bank of Montreal

FLOATING RATE DEBENTURES,
 SERIES 6, DUE 1991

(Subordinated to deposits and other liabilities)

For the six months
 29th April, 1982 to 29th October, 1982

In accordance with the provisions of the Debenture, notice is hereby given that the rate of interest has been fixed at 15% per cent and that the interest payable on the relevant interest payment date, 29th October, 1982, against Coupon No. 2 will be U.S. \$768.85.

Morgan Guaranty Trust Company
 London

Weekly net asset value



Tokyo Pacific Holdings (Seaboard) N.V.

on April 26th 1982, U.S.\$58.59

Listed on the Amsterdam Stock Exchange

Information: Pierson, Helderling & Pierson N.V.,
 Herengracht 214, 1016 BS Amsterdam.

VONTBEL EUROBOND INDICES

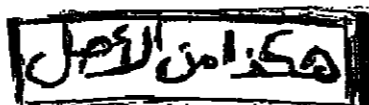
145.76=100%

	27.4.82	20.4.82	AVERAGE YIELD	27.4.82	20.4.82
DM Bonds	98.09	98.82	DM Bonds	9.047	9.135
HF Bonds & Notes	99.44	98.91	HF Bonds & Notes	10.085	10.157
U.S. & Str. Bonds	85.67	85.29	U.S. & Str. Bonds	14.032	14.137
Can. Dollar Bonds	90.40	90.45	Can. Dollar Bonds	15.204	15.186

BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further advertising details please ring:
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LONDON STOCK EXCHANGE

EQUITIES

Table of recent issues including stock names, issue prices, and closing prices.

FIXED INTEREST STOCKS

Table of fixed interest stocks including bond names, issue prices, and closing prices.

"RIGHTS" OFFERS

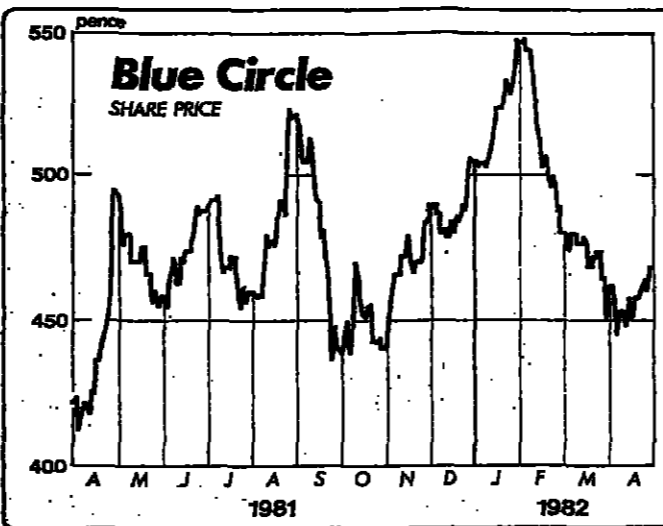
Table of rights offers including company names, issue prices, and closing prices.

ACTIVE STOCKS

Table of active stocks with columns for stock name, closing price, and day's change.

Equities better helped by company trading statements Falklands rumours impart added firmness in late trade

First Declared Last Account... Equities better helped by company trading statements...



Continental Microwave, a thin market, staged a successful debut in the United Securities Market...

Buyers continued to show interest in GKN following the cent brokers circular and with the added stimulant of Press comment...

while S. Lyles, a firm counter of late following the interim statement, eased 3 to 78p. Tobacco made good progress in active trading following an impressive set of full-year results...

Secondary oils feature Easier at first on Wall Street advice, Oils met renewed demand at the lower levels and closed with modest gains in prices.

Among Overseas Traders, a generally unfavourable Press on the reduced annual profits and dividend prompted further weakness in Tozer Kemley and Mill...

Options First Last Last For Deal-Deal-Declar-Settling-Settling-Settling-Settling...

FINANCIAL TIMES STOCK INDICES table with columns for various indices like Government Secs, Fixed Interest, Industrial Ord., etc.

10 am 567.0, 11 am 569.8, Noon 571.5, 1 pm 572.0, 2 pm 573.7, 3 pm 573.7.

HIGHS AND LOWS S.E. ACTIVITY table with columns for High, Low, and S.E. Activity.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Equity Groups & Sub-sections and Fixed Interest.

W. H. Smith good Leading Stores attracted steady support throughout the session and finished at the day's best...

NEW HIGHS AND LOWS FOR 1982

Table of New Highs and Lows for 1982 listing various companies and their share prices.

APPOINTMENTS

Senior posts at Northern Rock Mr Fuller Osborn has been appointed chairman and vice-president of Northern Rock Building Society...

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday showing price changes for various stocks.

RISES AND FALLS YESTERDAY

Table of Rises and Falls Yesterday showing price changes for various stocks.

REPUBLIC HEALTH CORPORATION

Advertisement for Republic Health Corporation offering \$5,000,000 in Common Stock, Preferred Stock and Convertible Subordinated Notes.

CURRENCIES and MONEY

Sterling steady

Sterling showed little overall change in currency markets yesterday with falls against European currencies countered by improvement against the dollar.

The dollar lost ground on expectations of lower U.S. interest rates. Sterling-weighted index (Bank of England) 89.4 against 89.3 at noon, 89.6 in the morning and 89.4 on Tuesday.

STERLING - Trade-weighted index (Bank of England) 89.4 against 89.3 at noon, 89.6 in the morning and 89.4 on Tuesday.

SWISS FRANC - Trade weighted index 149.6 against 149.4 on Tuesday and 149.3 on Monday.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for currency, ECU rate, and percentage change. Includes entries for Belgian Franc, Danish Krone, German D-Mark, etc.

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

For Sterling, ECU rate see CURRENCY RATES table.

EXCHANGE CROSS RATES

Table showing exchange rates between various currencies like Pound Sterling, U.S. Dollar, Deutschmark, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 28)

Table showing interbank fixing rates for 3 months and 6 months U.S. dollars.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing interest rates for various terms like Short term, 1 month, 3 months, 6 months, 1 year.

SDR linked deposits: one month 13 1/2-14 1/2 per cent; three months 13 1/2-14 1/2 per cent; six months 13 1/2-14 1/2 per cent; one year 13 1/2-14 1/2 per cent.

Asian S (closing rates in Singapore): one month 14 1/2-15 per cent; three months 13 1/2-14 1/2 per cent; one year 13 1/2-14 1/2 per cent.

Long-term Eurodollar two years 15 1/2-16 per cent; three years 15 1/2-16 per cent; four years 15 1/2-16 per cent; five years 15 1/2-16 per cent.

Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.

The following rates were quoted for London dollar certificates of deposit: one month 14.00-14.70 per cent; three months 14.80-14.70 per cent; six months 14.80-14.70 per cent; one year 14.50-14.80 per cent.

MONEY MARKETS

Further fall in London rates

London clearing bank base lending rate 13 per cent (since March 12). Interest rates fell in the London money market yesterday, with three four month interbank funds declining to 13 1/2-14 1/2 per cent.

MONEY RATES

Table showing money rates for New York, Germany, France, and Japan, including prime rates and discount rates.

THE POUND SPOT AND FORWARD

Table with columns for Day's spread, Close, One month, Three months, Six months, and % p.a. for various currencies.

Belgian rate for convertible francs. Financial franc 84.80-85.00. Six-month forward dollar 1.02-1.12c dis, 12-month 1.75-1.90c dis.

THE DOLLAR SPOT AND FORWARD

Table with columns for Day's spread, Close, One month, Three months, Six months, and % p.a. for various currencies.

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

Table showing currency movements for Sterling, U.S. dollar, Canadian dollar, etc.

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CS/SDBR rate for April 27: 1.37409.

OTHER CURRENCIES

Table showing rates for other currencies like Argentine peso, Australian dollar, Brazilian cruzeiro, etc.

1 Now one rate. * See page 1.

EUROCURRENCIES

£ rates ease

Eurocurrency interest rates were generally steady, influenced by the lack of change in Eurodollar rates.

The Swiss franc lost ground to the dollar in spot trading as Euro Swiss franc rates showed a marked decline.

Eurodollars softened at first but finished little changed on the day, as the spot rate improved against the dollar, while forward discounts widened.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table showing interest rates for various terms like Short term, 1 month, 3 months, 6 months, 1 year.

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MONEY RATES

Table showing money rates for New York, Germany, France, and Japan, including prime rates and discount rates.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Large table listing various authorized trusts and their details, including names, addresses, and contact information.

INSURANCES

Table listing various insurance companies and their products, including Abbey Life Assurance Co. Ltd., Aetna Life Insurance Co., and others.

INSURANCE & OVERSEAS MANAGED FUNDS

Main table listing various insurance and managed funds, including Life Assur. Co. of Pennsylvania, Phoenix Savings Group, and Sun Life of Canada (UK) Ltd.

Table listing various financial services and companies, including Guinness Management Limited, Standard Life Assurance Co., and others.

NOTES: Prices are in pence unless otherwise indicated and those denominated with a plus or minus refer to U.S. dollars. Yields are given in full column unless otherwise stated. A full column of yields is given in full column unless otherwise stated. A full column of yields is given in full column unless otherwise stated.

FT SHARE INFORMATION SERVICE

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LOANS—Continued

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Includes entries for various financial institutions and loan types.

BANKS & H.P.—Cont.

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists various banks and their shares.

CHEMICALS, PLASTICS—Cont.

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists chemical and plastic companies.

ENGINEERING—Continued

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists engineering firms.

FOOD, GROCERIES—Cont.

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists food and grocery companies.

HOTELS AND CATERERS

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists hotels and catering services.

INDUSTRIALS (Misc.)

Table with columns: High, Low, Stock, Price, Div, Int, Yld, etc. Lists various industrial companies.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Table listing various British funds with their performance metrics.

Over Fifteen Years

Table listing funds with performance over a 15-year period.

Undated

Table listing undated funds.

Index-Linked & Variable Rate

Table listing index-linked and variable rate funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table listing international bank and overseas government sterling issues.

CORPORATION LOANS

Table listing various corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table listing commonwealth and African loans.

LOANS Public Board and Ind.

Table listing public board and industrial loans.

Financial

Table listing financial institutions and their shares.

Building Societies

Table listing building societies.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail shares.

AMERICANS

Table listing American companies and their shares.

Hire Purchase, etc.

Table listing hire purchase and other services.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies.

CANADIANS

Table listing Canadian companies.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase services.

DRAPERY AND STORES

Table listing drapery and store companies.

ELECTRICALS

Table listing electrical companies.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other companies.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies.

ENGINEERING MACHINE TOOLS

Table listing engineering and machine tool companies.

FACTORIES NOW! Smart new industrial premises from 500 to 7000 sq ft with rentals from only £1.60 per sq ft p.a. Call today for the best choice in properties and development grants. 051-236 541 INDUSTRIAL DEVELOPMENT OFFICE

INDUSTRIALS (Misc.)

Table listing various industrial companies.

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INDUSTRIALS—Continued

Table of industrial stock prices including companies like British Petroleum, Shell, and various engineering firms.

LEISURE—Continued

Table of leisure stock prices including companies like British Airways, British Telecom, and various media companies.

PROPERTY—Continued

Table of property stock prices including various real estate investment trusts and companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various global and regional funds.

OIL AND GAS—Continued

Table of oil and gas stock prices including companies like BP, Shell, and various energy producers.

Saitama Bank advertisement with logo and contact information: "The Japanese bank that helps you grow".

MINES—Continued

Table of mining stock prices including companies like Anglo-American, De Beers, and various metal miners.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stock prices including companies like Rolls-Royce, BHP, and various automotive parts suppliers.

SHIPPING

Table of shipping stock prices including companies like P&O, Cunard, and various shipping lines.

SHOES AND LEATHER

Table of shoes and leather stock prices including companies like Burberry, and various footwear manufacturers.

SOUTH AFRICANS

Table of South African stock prices including various local companies.

TEXTILES

Table of textile stock prices including companies like J. & F. S. and various textile manufacturers.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stock prices including companies like News International, and various media groups.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stock prices including companies like W. H. Allen, and various media companies.

PROPERTY

Table of property stock prices including various real estate investment trusts and companies.

TOBACCO

Table of tobacco stock prices including companies like British American Tobacco, and various tobacco manufacturers.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stock prices including various investment trusts and financial institutions.

OVERSEAS TRADERS

Table of overseas traders stock prices including companies like Anglo-Siam, and various international trading firms.

RUBBERS AND SISALS

Table of rubber and sisal stock prices including companies like Guthrie & Co., and various commodity traders.

TEAS

Table of tea stock prices including companies like Tata Tea, and various tea producers.

MINES

Table of mining stock prices including companies like Anglo-American, De Beers, and various metal miners.

FINANCE, LAND, ETC.

Table of finance, land, and other stock prices including various financial institutions and investment firms.

NOTES

Notes section containing various financial notices, company announcements, and market news.

REGIONAL MARKETS

Table of regional market data including stock prices from various international markets.

OPTIONS

Table of options market data including call and put option prices for various stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum prices including various precious metal and gemstone prices.

INSURANCE

Table of insurance stock prices including companies like Prudential, and various insurance providers.

LEISURE

Table of leisure stock prices including companies like British Airways, British Telecom, and various media companies.

MILITARY RULERS PROMISE TO LIFT CURFEW ON MAY 2

Poland frees 800 internees

BY CHRISTOPHER BOBINSKI IN WARSAW

POLAND'S military rulers yesterday ordered the release of 800 internees and promised to lift the curfew and other restrictions imposed after their takeover last December.

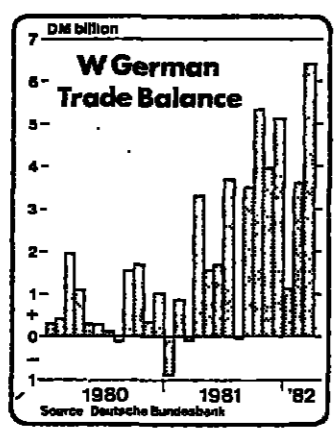
Archbishop Glemp's statement in Rome, that he thought that the Pope's visit to Poland this August should be put off, clearly indicates that the Church has decided that the easing of restrictions is not enough for an improvement in relations.

Meanwhile, Mr Jan Kulaj, the head of Rural Solidarity, the independent farmers' union, who has been interned since December 13, appeared on TV and announced that from now on he would be working within the United Peasants' Party, a group with strong links with the Polish Communist Party.

Bonn exports hit £9.9bn record

BY STEWART FLEMING IN FRANKFURT

WEST GERMAN exports were worth a record DM 41.8bn (£9.9bn) last month, this compared with DM 34.5bn in February and DM 33.7bn in March last year.



Imports rose slower than in the recent past, with the result that Germany's trade accounts showed a record surplus of DM 6.4bn.

pean currencies on the foreign exchange markets. They contrasted with the increased U.S. trade deficit, and coincided with some declines in U.S. interest rates—factors which worked against the dollar.

Ministers back private funds for roads

By Hazel Duffy, Industrial Correspondent

A PLAN to introduce private finance into road construction, drawn up by a special committee of the National Economic Development Office's civil engineering economic development committee, has been backed by two Government Ministers.

Building societies set up scheme to protect their investors

BY MICHAEL CASSELL

THE building societies have established formal investors' protection schemes bringing the movement into line with the banks and life insurance companies.

The signatories control over 99 per cent of all building society assets. Under the scheme the maximum contribution the societies can be called upon to make on any one occasion is 0.3 per cent of their total assets, as laid down in the Banking Act 1979.

BA splits operations into 'profit centres'

By Michael Dornne, Aerospace Correspondent

A MAJOR reorganisation of British Airways with the creation of several 'profit centres' in the form of operating divisions, was announced by Sir John King, chairman, yesterday.

Falklands blockade

Continued from Page 1

The tanker has been sold to Chile as part of the naval defence cuts. She was on her way to Chile together with the frigate Norfolk, which has continued on to Chile.

Diplomatic efforts

Continued from Page 1

rejected the U.S. proposals. But it warned that the crisis has reached a critical point. The U.S. plan was reported to involve withdrawal of Argentine troops, easing of British naval pressure, and the despatch of U.S. military units to the area to monitor the truce and further negotiations.

Rail review

Continued from Page 1

need to stay within Government cash limits on overall spending. A separate report into the management of BR's finances was commissioned by the Government at the start of the month. This is being compiled by Mr James Butler, of accountants Peat Marwick Mitchell, and will be incorporated in the overall review.

Welsh back training plan

A BILLION POUND scheme which will guarantee a proper preparation for work for thousands of under 18s, has been heralded by Welsh industry as a major breakthrough.

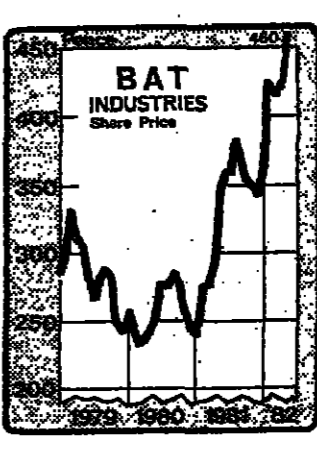
Welsh back training plan

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THE LEX COLUMN

BATs delights the bulls

Index rose 5.1 to 575.3



BAT Industries has shed the image of a sluggish giant over the past year, and brokers have been almost falling over themselves to publish buy recommendations. Even so, the market was wholly unprepared for yesterday's preliminary statement, and the shares jumped 37p to 460p.

Published 1981 profits before tax have risen 43 per cent to £884m. Roughly half the improvement is attributable to the weakening of the pound, but this still leaves a very respectable level of underlying growth.

Last year's bidder, THE, is not in the strongest position. Its own share price has been weak, and if it does not rebound, it might have trouble placing its Savoy shares. The Savoy insists that directors, 'friends and associates' control just over half the votes. This summer it may find out again who its friends are; for the moment the company is capitalised at £78m.

House of Fraser

In the year to January 1981: House of Fraser—with Lorrain hot in pursuit—pulled out all the stops and kept profits up at £34.5m pre-tax. This year, with bad weather and rail disruption hitting the peak December/January period very hard, the figure is down to £28.0m, struck as in 1980-81 after £1m or so of property items.

Savoy Hotel

The Savoy Hotel shares with Fraser a valuable name, an expensive (if shrinking) property portfolio and an unwelcome large shareholder. It remained in pre-tax loss—£0.6m against £1.6m—in 1981 but there was a sharp return to profit in the last quarter as the falling pound brought foreign visitors back to London.

"Most private medical schemes wouldn't give my clients this kind of flexibility."

Crusader Medical Aid Plans help your clients in more ways than most. Not just as a way to offer attractive benefits to employees, and in turn encourage job loyalty. Not just the reassurance of years of experience. But also the kind of simple administration that keeps costs low.

Medical Aid is a big step to take, but one that results in equally impressive benefits. Find out from us how to make it easier for your clients. Write to: Douglas W. Scott, Manager, Group Sales and Services, Crusader Insurance PLC, Tower House, 38 Trinity Square, London EC3N 4DJ

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